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Washington, Saturday, January 16, 1960

Title 3—THE PRESIDENT

Executive Order 10858

THE PRESIDENT'S COMMITTEE FOR TRAFFIC SAFETY

By virtue of the authority vested in me as President of the United States and in order to advance the cause of street and highway safety, it is ordered as follows:

SECTION 1. (a) There is hereby continued, subject to the provisions of this order, the President's Committee for Traffic Safety, established on April 13, 1954.

(b) The President's Committee for Traffic Safety (hereinafter referred to as the Committee) shall be composed of not more than twelve members appointed by the President, including individuals active in agriculture, business, labor, public-information media, civic, service, and women's organizations, and such other groups as the President may determine. The Chairman of the Governors' Conference shall be a member of the Committee during his term as Chairman of the Governors' Conference.

SEC. 2. (a) The Committee, on behalf of the President, shall promote State and community application of the Action Program of traffic safety measures established by the President's Highway Safety Conference in 1946, and revised in 1949, and shall further revise and perfect that Action Program in accordance with the findings of further research and experience. It shall also develop effective citizen organization in the States and communities in support of public officials with Action Program responsibilities.

(b) The Committee shall cooperate with Federal, State, and local officials and interested national organizations, including the Council of State Governments, the American Municipal Association, and the National Association of County Officials, and shall encourage them to study traffic-safety needs, adopt uniform traffic laws and ordinances, and conduct balanced traffic-safety programs.

(c) The Committee may establish or continue such advisory groups (including the Advisory Council which it has heretofore established) as may be necessary to assist it in carrying out its activities, shall prescribe such regulations as it deems appropriate for such groups, and shall appoint the member organizations. Through such advisory groups and their member organizations, the Committee shall aid citizen leaders in developing effective support organizations, assist public officials in determining specific needs and applying remedial measures, plan and guide nationwide traffic safety educational efforts, and advance all areas of highway safety.

SEC. 3. (a) The Chairman of the Committee shall be designated by the President and shall direct the work of the Committee. The Chairman may designate a Vice Chairman to serve as Chairman in his absence. The Chairman may from time to time prescribe such necessary rules, procedures, and policies relating to the Committee and the conduct of its affairs as are not inconsistent with law or with the provisions of this order.

(b) The Committee shall meet annually, and at such other times and places as the Chairman may deem necessary.

(c) Members of the Committee shall serve without compensation.

SEC. 4. The Secretary of Commerce may make available to the Committee, within the limitations of section 313 of title 23 of the United States Code and subject to the availability of appropriations, such office space, staff, equipment, supplies, and services as may be necessary for the operations of the Committee.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
January 13, 1960.

[F.R. Doc. 60-490; Filed, Jan. 14, 1960; 12:31 p.m.]

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

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A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

A Cumulative Codification Guide covering the current month appears at the end of each issue beginning with the second issue of the month.

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Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

PART 354—OVERTIME SERVICES RELATING TO IMPORTS AND EXPORTS

Commuted Travel Time Allowances

Pursuant to the authority conferred upon the Director of the Plant Quarantine Division by § 354.1 of the regulations concerning overtime services relating to imports and exports, effective June 29, 1958 (7 CFR, 1958 Supp., 354.1), administrative instructions (7 CFR, 1958 Supp., 354.2), effective September 17, 1958, as amended effective April 9, 1959, and November 19, 1959 (24 F.R. 2723, 9329), prescribing the commuted travel time that shall be included in each period of overtime duty are hereby further amended by deleting from the "One Hour" list therein the items "Buffalo, N.Y." and "Cleveland, Ohio", and adding these two items to the "Two Hour" list therein; and by adding "Ashtabula, Ohio (served from Cleveland, Ohio)", "Erie, Pa. (served from Buffalo, N.Y.)", and "Huron, Ohio (served from Cleveland, Ohio)" to the "Three Hour" list.

These commuted travel time periods have been established as nearly as may be practicable to cover the time necessarily spent in reporting to and returning from the place at which the employee performs such overtime duty when such travel is performed solely on account of such overtime duty. Such establishment depends upon facts within the knowledge of the Plant Quarantine Division. It is to the benefit of the public that these instructions be made effective at the earliest practicable date. Accordingly, pursuant to the provisions of section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and public procedure on these instructions are impracticable, unnecessary, and contrary to the public interest, and good cause is found for making these instructions effective less than thirty days after publication in the FEDERAL REGISTER.

(64 Stat. 561; 5 U.S.C. 576)

This amendment shall be effective January 16th, 1960.

Done at Washington, D.C., this 13th day of January 1960.

[SEAL] E. P. REAGAN,
Director,
Plant Quarantine Division.

[F.R. Doc. 60-465; Filed, Jan. 15, 1960; 8:52 a.m.]

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

PART 729—PEANUTS

Proclamation of Results of Referendum on Marketing Quotas for 1960, 1961, and 1962

§ 729.1104 Basis and purpose.

Sections 729.1104 and 729.1105 are issued to announce the results of the referendum held December 15, 1959, pursuant to section 358(b) of the Agricultural Adjustment Act of 1938, as amended, to determine whether farmers favor or oppose marketing quotas for peanuts produced in the three calendar years beginning with 1960. The Act requires the results of any peanut marketing quota referendum to be proclaimed within thirty days after the date on which it is held. Since the only purpose of this proclamation is to announce the results of the referendum, it is hereby found and determined that application of the notice and public procedure provisions of the Administrative Procedure Act (5 U.S.C. 1003) is unnecessary.

§ 729.1105 Proclamation of the results of the marketing quota referendum for peanuts for the crops produced in the three calendar years beginning with the calendar year 1960.

In a referendum of farmers engaged in the production of the 1959 crop of peanuts held on December 15, 1959, 33,598 farmers voted. Of those voting 31,875 farmers, or 94.9 percent, favored quotas for peanuts produced in the three calendar years beginning with 1960, and 1,723 farmers, or 5.1 percent were opposed to having quotas in effect for the crops produced in the three calendar years beginning with the calendar year 1960. Since more than two-thirds of the farmers voting favored quotas, the national marketing quota proclaimed by the Secretary of Agriculture for peanuts produced in the calendar year 1960 (24 F.R. 8211) shall be in effect, and national marketing quotas hereafter proclaimed for peanuts for the calendar years 1961 and 1962 shall be effective.

(Sec. 375, 52 Stat. 66; 7 U.S.C. 1375. Interpret or apply sec. 358, 55 Stat. 88; 7 U.S.C. 1358)

Done at Washington, D.C., this 13th day of January 1960. Witness my hand and the seal of the Department of Agriculture.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 60-468; Filed, Jan. 15, 1960; 8:53 a.m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Navel Orange Reg. 180]

PART 914—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 914.480 Navel Orange Regulation 180.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 14, as amended (7 CFR Part 914), regulating the handling of navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendation and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such navel oranges as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on January 14, 1960.

(b) *Order.* (1) The respective quantities of navel oranges grown in Arizona and designated part of California

which may be handled during the period beginning at 12:01 a.m., P.s.t., January 17, 1960, and ending at 12:01 a.m., P.s.t., January 24, 1960, are hereby fixed as follows:

(i) District 1: 650,000 cartons;

(ii) District 2: 400,000 cartons;

(iii) District 3: Unlimited movement;

(iv) District 4: Unlimited movement.

(2) All navel oranges handled during the period specified in this section are subject also to all applicable size restrictions which are in effect pursuant to this part during such period.

(3) As used in this section, "handled," "District 1," "District 2," "District 3," "District 4," and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: January 15, 1960.

G. R. GRANGE,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–536; Filed, Jan. 15, 1960; 11:22 a.m.]

[Lemon Reg. 829]

PART 953 — LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 953.936 Lemon Regulation 829.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 23 F.R. 9053), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based become available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on January 13, 1960.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., January 17, 1960, and ending at 12:01 a.m., P.s.t., January 24, 1960, are hereby fixed as follows:

(i) District 1: 18,600 cartons;

(ii) District 2: 139,500 cartons;

(iii) District 3: 27,900 cartons.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: January 14, 1960.

G. R. GRANGE,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–517; Filed, Jan. 15, 1960; 9:00 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 7360 o.]

PART 13—PROHIBITED TRADE PRACTICES

Novel Co.

Subpart—Using, selling, or supplying lottery devices: § 13.2470 Assortments packed for lottery selling.

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Max H. Goldberg trading as Novel Company, Chicago, Ill., Docket 7360, Nov. 23, 1959]

In the Matter of Max H. Goldberg, Trading Under the Name of Novel Company

This case was heard by a hearing examiner on the complaint of the Commission charging a Chicago distributor of dolls, clocks, electric appliances, and other merchandise, with furnishing to operators and members of the public, push cards and instructions for their use in selling his merchandise and allocating it as prizes to such operators and purchasers of chances on the cards and thus supplying to others the means of conducting lotteries in the sale of his merchandise, contrary to established public policy.

The Commission denied respondent's appeal from the initial decision and on November 23 adopted the initial decision as modified as the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That Max H. Goldberg, individually and trading under the name of Novel Company, or under any other name or names, and his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of any merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others pull cards, push cards or other lottery devices, either with merchandise or separately, which are designed or intended to be used in the sale or distribution of respondent's merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

2. Selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise, or lottery scheme.

By "Final Order", report of compliance was required as follows:

It is further ordered, That respondent, Max H. Goldberg, shall, within sixty (60) days after service upon him of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with the order to cease and desist contained in the aforesaid initial decision.

Issued: November 23, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F.R. Doc. 60–433; Filed, Jan. 15, 1960; 8:48 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER A—CIVIL AIR REGULATIONS

[Reg. Docket No. 104; Amdt. 60–16]

PART 60—AIR TRAFFIC RULES

Right-of-Way—Aerial Refueling Operations

On January 15, 1960, Amendment 60–16 to Part 60 of the Civil Air Regulations was inadvertently published in the FEDERAL REGISTER (25 F.R. 334) without a 30-day effective date. This amendment is hereby corrected to include the state-

ment: "This amendment shall become effective February 15, 1960."

Issued in Washington, D.C., on January 15, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-547; Filed, Jan. 15, 1960; 5:00 p.m.]

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 161; Amdt. 81]

PART 507—AIRWORTHINESS DIRECTIVES

Fairchild F-27 Aircraft

A proposal to amend Part 507 of the regulations of the Administrator to include an airworthiness directive correcting or preventing rudder oscillation on Fairchild F-27 aircraft was published in 24 F.R. 8681.

Interested persons have been afforded an opportunity to participate in the making of the amendment. No objections were received.

In consideration of the foregoing § 507.10(a) (14 CFR Part 507), is hereby amended by adding the following new airworthiness directive:

FAIRCHILD. Applies to all Model F-27, F-27A, and -27B aircraft.

Compliance required by January 15, 1960.

Cases of "rudder walk" have been experienced on aircraft in service. Such rudder oscillation creates a flight hazard. In order to correct or prevent this condition, unless already accomplished, a beaded angle should be added to the rudder balance tab trailing edge in accordance with Fairchild Service Bulletin 27-14.

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on January 12, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-423; Filed, Jan. 15, 1960; 8:47 a.m.]

[Reg. Docket No. 194; Amdt. 82]

PART 507—AIRWORTHINESS DIRECTIVES

Fairchild F-27 Aircraft

Service experience has established that cracks have occurred in the structure of two elevators in the area of the outboard hinge on Fairchild F-27 aircraft, resulting in an unsafe condition. It is necessary in the interests of safety to conduct inspections for cracks daily, both visual and by borescope, as well as to remove the outboard hinge brackets for inspection within the next 125 hours time in service but not later than December 15, 1959, and at every 125 hours time in service thereafter.

In view of the foregoing, the Administrator found that a situation existed requiring immediate action in the interest of safety, that notice and public procedure thereon were impracticable and contrary to the public interest, and that good cause existed for taking immediate corrective action. Accordingly, an airworthiness directive was adopted on November 27, 1959, and made effective immediately as to all known operators of Fairchild F-27 aircraft by individual telegrams dated November 27, 1959. It is hereby published as an amendment to § 507.10(a) (14 CFR Part 507) and shall become effective upon the date of its publication in the FEDERAL REGISTER as to all other persons:

FAIRCHILD. Applies to all F-27 Series aircraft.

Compliance required as indicated.

(a) Remove the bottom cover at the outboard elevator hinge and conduct the following daily visual inspection on both elevators. Using a mirror and light inspect the structure on the forward side of the middle spar in the area of the outboard hinge bracket for cracks in spar web, cracks in upper and lower spar flange radii, and cracks in adjacent ribs in flange radii at attachment to front side of spar.

(b) Drill a ⅛-inch hole in bottom skin of both elevators on center line of outboard hinge and $1\frac{11}{16}$ inches aft of middle spar flange rivet line for borescope inspection aft of middle spar. Reinforce hole with annular ring of 0.050 inch 2024 of 1⅞ inches diameter with ⅛-inch hole in center. Attach ring to skin over hole with six blind rivets number MS20600-B42 equally spaced. After each inspection plug hole with button number 48155 made by United Carr Fastener Company which will be furnished by Fairchild Aircraft Division, or with equivalent plug.

(c) Starting not later than December 1, 1959,[1] conduct daily inspections with borescope, or equivalent, of both elevators in area of outboard hinge aft of middle spar. Inspect for cracks in flange radii of the two adjacent ribs at the attachments to aft side of spar and for cracks in the two angles or the channel which are attached to aft ribs near spar.

(d) Following required within the next 125 hours time in service but not later than December 15, 1959,[1] and every 125 hours time in service thereafter. Remove outboard hinge brackets from both elevators and repeat all inspections specified above. Removal of elevators from airplane is optional for these inspections.

(e) If any cracks are found, elevators must not be used until approved repairs have been made.

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on January 12, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-424; Filed, Jan. 15, 1960; 8:47 a.m.]

[Reg. Docket No. 203; Amdt. 83]

PART 507—AIRWORTHINESS DIRECTIVES

Cessna Model 150 Aircraft

There have been a large number of exhaust gas cabin air heater failures on Cessna 150 aircraft. Such failures create the danger of contaminating the heated air to the cabin with carbon monoxide. It is necessary in the interest of safety to require corrective action.

In view of the foregoing, the Administrator found that a situation existed requiring immediate action in the interest of safety, that notice and public procedure thereon were impracticable and contrary to the public interest, and that good cause existed for taking immediate corrective action. Accordingly, an airworthiness directive was issued on December 8, 1959, requiring compliance with the provisions of the directive no later than December 15, 1959, by all persons receiving prior notice thereof. It is hereby published as an amendment to § 507.10(a) (14 CFR Part 507) and shall become effective upon the date of its publication in the FEDERAL REGISTER as to all other persons:

CESSNA. Applies to Model 150 aircraft Serial Numbers 17000 through 17622.

Compliance required not later than December 15, 1959, for those persons who received actual notice prior thereto. Compliance date as to all other persons is within 7 days following date of publication in the FEDERAL REGISTER.

A large number of failures in the exhaust gas cabin air heater P/N's 0450338-8 and 0450338-40 weld assembly muffler right hand have occurred in service. In one case the pilot possibly experienced carbon monoxide poisoning during flight. To minimize the failure of the exhaust gas cabin air heater muffler and the possibility of carbon monoxide poisoning the following modification is to be performed unless already accomplished.

(a) Airplane Serial Numbers 17000 through 17144. Replace exhaust gas cabin air heater muffler with weld assembly P/N 0450338-50 right hand.

(b) Airplane Serial Numbers 17145 through 17622. Replace exhaust gas cabin air heater muffler with stack subassembly P/N 0450338-54 right hand.

(Cessna Service Letter 150-11 dated September 21, 1959, pertains to this same modification.)

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on January 12, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-425; Filed, Jan. 15, 1960; 8:47 a.m.]

[Reg. Docket No. 174; Amdt. 84]

PART 507—AIRWORTHINESS DIRECTIVES

Douglas DC-6 Aircraft

A proposal to amend Part 507 of the regulations of the Administrator to include an airworthiness directive requiring inspection and rework to detect and prevent cracks in the wing spar caps on certain Douglas DC-6 aircraft was published in 24 F.R. 9085.

Interested persons have been afforded an opportunity to participate in the making of the amendment. No objections were received.

In consideration of the foregoing § 507.10(a) (14 CFR Part 507), is hereby amended by adding the following new airworthiness directive:

[1] This is the compliance date for persons personally served by telegrams dated November 27, 1959. Compliance date as to all other persons is the date of publication in the FEDERAL REGISTER.

DOUGLAS. Applies to the following aircraft: DC-6 Serial Numbers 42878, 43030 to 43033 inclusive, 43136, 43148 to 43151 inclusive, 43212 to 43214 inclusive, and 43216 to 43218 inclusive.

Compliance required as indicated.

To detect cracking of the lower front and center spar cap tangs at intersection with lower fuselage attach angle the following must be accomplished on affected DC-6 aircraft having in excess of 16,000 hours service time.

(a) Inspect lower front spar cap at the nearest maintenance inspection period to 200 hours service time unless similar inspection has been conducted within the last 1,250 hours service time.

(b) Inspect lower front and center spar caps at maintenance inspection period nearest to each succeeding 1,250 hours service time.

(1) At the first 1,250-hour inspection period, the holes located in aft tang of front spar lower cap and fuselage attach angle should be enlarged and new attachments installed. (Kit "A" of Douglas SB A-845 or equivalent.)

(2) At next regularly scheduled overhaul period, the holes located in forward tang of front spar lower cap should be enlarged and new attachments installed. (Kit "A" of Douglas SB A-845 or equivalent.)

(c) If spar cap cracks are found, temporary rework per Drawing No. 3645935 (Kit "B"), or permanent rework per Drawing No. 5765079 (Kit "C") or equivalent must be accomplished. If temporary rework is installed, inspection must be repeated at 1,250-hour intervals for a maximum of 3,200 hours service time at which time permanent rework per Drawing No. 5765079 (Kit "C"), or equivalent, must be accomplished.

(d) All aircraft must have permanent rework per Drawing No. 5765079 (Kit "C"), or equivalent, accomplished within next 6,400 hours service time.

(e) After installation of permanent rework per Kit "C", or equivalent, operators may revert to normal repetitive inspection periods not to exceed 3,200 hours service time.

(Douglas Service Bulletin DC-6 No. A-845 dated July 31, 1959, covers this same subject.)

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on January 12, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-426; Filed, Jan. 15, 1960; 8:47 a.m.]

[Reg. Docket No. 172; Amdt. 85]

PART 507—AIRWORTHINESS DIRECTIVES

Lockheed 188A and 188C Aircraft

A proposal to amend Part 507 of the regulations of the Administrator to include an airworthiness directive to supersede AD 59-16-6 (24 F.R. 5997), extending inspection and reinforcement procedures to Wing Station 167 on Lockheed 188A and 188C aircraft was published in 24 F.R. 9061.

Interested persons have been afforded an opportunity to participate in the making of the amendment. No objections were received.

In consideration of the foregoing § 507.10(a) (14 CFR Part 507), is hereby amended by adding the following new airworthiness directive:

LOCKHEED. Applies to all Lockheed Model 188A and 188C aircraft except Serial Numbers: 1001, 1044, 1088 and 1090 and up, for the Wing Station 167 area inspections; 1001, 1044, 1057, 1066, 1068 and up for the Wing Station 209 area inspections.

Compliance with the following is required.

(a) A daily visual inspection of the No. 4 left and right upper wing surface planks for spanwise cracks. The affected areas are adjacent to the Nos. 2 and 3 nacelle attach angles above Wing Stations' 167 and 209 main landing gear ribs and near the forward edge of the plank. This inspection may be discontinued when an approved reinforcement designed to prevent cracking is installed.[1]

(b) If cracks are found, FAA approved repair and reinforcement must be accomplished[1] prior to the operation of the aircraft except that the aircraft may be ferred to the base at which the repairs and reinforcement may be performed. Upon installation of an approved reinforcement and repair the aircraft may be returned to service, and the daily inspection discontinued.[2]

(c) An approved reinforcement shall be installed prior to February 1, 1960.

This Airworthiness Directive supersedes AD 59-16-6.

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on January 12, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-427; Filed, Jan. 15, 1960; 8:47 a.m.]

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 59-FW-66]

[Amdt. 120]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 145]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Modification of Federal Airway, Designated Reporting Points, Redesignation of Control Area Extension and Control Zone

The purpose of these amendments to §§ 600.104, 601.2248, 601.4104 and 601.1180 of the regulations of the Administrator is to reflect the conversion of the San Antonio, Tex., radio range station to a nondirectional radio beacon.

The San Antonio radio range station is being converted to a nondirectional radio beacon on or about March 10, 1960. Therefore, it is necessary to delete any reference to the "San Antonio radio range station" and substitute therefor the "San Antonio, Tex., nondirectional radio beacon" in the above listed sections.

Since this amendment imposes no additional burden on the public, compliance with the notice, and public procedure provisions of section 4 of the Administrative Procedure Act is unnecessary. However, since it is necessary that sufficient time be allowed to permit appropriate changes to be made on aeronautical charts, this amendment will become effective more than 30 days after publication.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) § 600.104 (24 F.R. 8720), § 601.4104 (24 F.R. 8720), § 601.1180 (23 F.R. 10341) and § 601.2248 (14 CFR, 1958 Supp., 601.2248) are amended as follows:

§ 600.104 [Amendment]

1. In the text of § 600.104 *Amber Federal airway No. 4 (San Antonio, Tex., to Waco, Tex.; Tulsa, Okla., to Baldwin City, Kans., and Omaha, Nebr., to Minot, N. Dak.)*, delete "From the San Antonio RR via the INT of the N course of the San Antonio, Tex., RR and a line bearing 226° True from the Austin, Tex., RBN;" and substitute therefor "From the San Antonio, Tex., RBN via the INT of a line bearing 004° from the San Antonio RBN and a line bearing 226° from the Austin, Tex., RBN;".

§ 601.4104 [Amendment]

2. In the text of § 601.4104 *Amber Federal airway No. 4 (San Antonio, Tex., to Waco, Tex.; Tulsa, Okla., to Baldwin City, Kans., and Omaha, Nebr., to Minot, N. Dak.)*, delete "San Antonio, Tex., RR" and substitute therefor "San Antonio, Tex., RBN".

§ 601.1180 [Amendment]

3. In the text of § 601.1180 *Control area extension (San Antonio, Tex.)*, delete "San Antonio, Tex., RR" and substitute therefor "San Antonio, Tex., RBN".

4. Section 601.2248 is amended to read:

§ 601.2248 San Antonio, Tex., control zone.

Within a 5-mile radius of the San Antonio airport extending 2 miles either side of a line bearing 004° from the San Antonio RBN to the Cibolo Creek fan marker.

These amendments shall become effective 0001, e.s.t., March 10, 1960.

(Secs. 307(a), 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., on January 11, 1960.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-428; Filed, Jan. 15, 1960; 8:47 a.m.]

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[1] Lockheed Service Bulletin No. 88/SB-306 contains an approved reinforcement for the Wing Station 209 area.

[2] Eastern Air Lines sketches 62059 and 62259, revised June 25, 1959, contain an approved reinforcement and repair in the Wing Station 209 area. Lockheed sketch ALS 82959, Change A, contains an approved reinforcement and repair for the Wing Station 167 area.

[Reg. Docket No. 236; Amdt. 149]

PART 609—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Alterations

The new and revised standard instrument approach procedures appearing hereinafter are adopted to become effective and/or canceled when indicated in order to promote safety. The revised procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the revised procedures specify the complete procedure and indicate the changes to the existing procedures. Pursuant to authority delegated to me by the Administrator (24 F.R. 5662), I find that a situation exists requiring immediate action in the interest of safety, that notice and public procedure hereon are impracticable, and that good cause exists for making this amendment effective on less than thirty days' notice.

Part 609 (14 CFR, Part 609) is amended as follows:

1. The low or medium frequency range procedures prescribed in § 609.100(a) are amended to read in part:

LFR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	

PROCEDURE CANCELLED UPON PUBLICATION IN THE FEDERAL REGISTER. SBRAZ RECLASSIFIED AS AN "H" FACILITY.

City, Lihue, Kauai; State, Hawaii; Airport Name, Lihue Airport; Elev., 148'; Fac. Class, SBRAZ; Ident., PAK; Procedure No. 1, Amdt. 4; Eff. Date, 12 July 58; Sup. Amdt No. 3; Dated, 28 Apr. 56

2. The automatic direction finding procedures prescribed in § 609.100(b) are amended to read in part:

ADF STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
All directions	Tutuila RBn	Direct	4100	T-d	800-2	800-2	300-1
				C-d	800-2	800-2	800-2
				A-d	1000-3	1000-3	1000-3

Procedure turn E side of crs, 120° Outbnd, 300° Inbnd, 1000' within 15 miles.

Descend to 800' upon completion of procedure turn. Flight to airport under VFR conditions at authorized minimums is necessary because of rapidly rising terrain immediately North of airport.

Facility on airport.

If visual contact not established after completion of procedure turn at authorized minimums, reverse course climbing to 4100' on course of 120°. Proceed to TUT "H" facility.

CAUTION: Rapidly rising terrain immediately North of airport.

Location, American Samoa; Airport Name, Tafuna; Elev., 6'; Fac. Class., HW; Ident., TUT; Procedure No. 1, Amdt. Original; Eff. Date, 23 Jan. 60

3. The very high frequency omnirange (VOR) procedures prescribed in § 609.100(c) are amended to read in part:

VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
PBI-LFR	PBI-VOR	Direct	1200	T-dn	300-1	300-1	200-½
				C-dn	400-1	500-1	500-1½
				S-dn-9	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn S side of crs, 274° Outbnd, 094° Inbnd, 1200' within 10 mi.

Minimum altitude over facility on final approach crs, 700'.

Crs and distance, facility to airport, 094°—2.8 mi.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.8 miles, climb to 1300' on PBI-VOR R-094 within 20 miles.

City, West Palm Beach; State, Fla.; Airport Name, Palm Beach Int'l; Elev., 19'; Fac. Class., VORTAC; Ident., PBI; Procedure No. 1, Amdt. Orig.; Eff. Date, 23 Jan. 60

4. The terminal very high frequency omnirange (TerVOR) procedures prescribed in § 609.200 are amended to read in part:

TERMINAL VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
YAK-LFR	YAK-VOR	Direct	1200	T-dn	300-1	300-1	200-½
				C-dn	500-1	500-1	500-1½
				S-dn-29	500-1	500-1	500-1
				A-dn	800-2	800-2	800-2

Procedure turn South side of crs, 118° Outbnd, 298° Inbnd, 1200' within 10 mi.
Descend to 500' after completion of procedure turn.
Crs and distance, breakoff point to approach end of Rnwy 29, 286°—0.7 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile, climb to 1200' on YAK-VOR R-268 within 20 miles.

City, Yakutat; State, Alaska; Airport Name, Yakutat; Elev., 37'; Fac. Class., BVOR; Ident, YAK; Procedure No. TerVOR-29, Amdt. Orig.; Eff. Date, 23 Jan. 60

YAK-LFR	YAK-VOR	Direct	1200	T-dn	300-1	300-1	200-½
				C-dn	500-1	500-1	500-1½
				S-dn-11	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn S side of crs, 268° Outbnd, 088° Inbnd, 1200' within 10 miles.
Minimum altitude over Int of YAK-VOR R-268 and SW crs YAK LFR, 700'.
Crs and distance, breakoff point to approach end of Rnwy 11, 106°—0.7 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, within 0 mile, climb to 1200' on YAK-VOR R-118 within 20 miles.

City, Yakutat; State, Alaska; Airport Name, Yakutat; Elev., 37'; Fac. Class., BVOR; Ident., YAK; Procedure No. TerVOR-11, Amdt. Orig.; Eff. Date, 23 Jan. 60

5. The instrument landing system procedures prescribed in § 609.400 are amended to read in part:

ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
RKS LFR	Outer marker	Direct	9200	T-dn*	300-1	300-1	200-½
Int E crs RKS-ILS W crs RKS LFR	Outer marker	Direct	9200	C-d	400-1	500-1	500-1½
Point of Rocks FM via crs 235	E crs ILS	Direct	9200	C-n	400-2	500-2	500-2
RKS-VOR via R-062	E crs ILS	Direct	9200	S-dn-25**	300-¾	300-¾	300-¾
				A-dn#	600-2	600-2	600-2

Procedure turn N side E crs, 074° Outbnd, 254° Inbnd, 9200' within 10 mi of Outer Marker.
Minimum altitude at G.S. int inbnd, 8700.
Altitude of G.S. and distance to approach end of rny at OM 7850—3.9, at MM 6950—0.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 10,000' on W crs of RKS-LFR.
AIR CARRIER NOTES: Sliding scale not authorized. Night operations authorized for Runways 7-25 only.
*300-1 required for takeoff with any component of the ILS inoperative.
**Circling minimums are required for straight-in approach with any component of the ILS inoperative.
#800-2 required if any component of the ILS is inoperative.

City, Rock Springs; State, Wyo.; Airport Name, Municipal; Elev., 6752'; Fac. Class., ILS; Ident., RKS; Procedure No. 1, Amdt. 10; Eff. Date, 2 Jan. 60; Sup. Amdt. No. 9; Dated, 2 Jan. 60

These procedures shall become effective on the dates indicated on the procedures.

(Secs. 313(a), 307(c), 72 Stat. 752, 749; 49 U.S.C. 1354(a), 1348(c))

Issued in Washington, D.C., on January 12, 1960.

B. PUTNAM,
Acting Director, Bureau of Flight Standards.

[F.R. Doc. 60-429; Filed, Jan. 15, 1960; 8:48 a.m.]

Title 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[C.C.C. Grain Price Support Bulletin 1, 1959 Supp. 2, Amdt. 4, Grain Sorghums]

PART 421—GRAINS AND RELATED COMMODITIES

Subpart—1959-Crop Grain Sorghums Loan and Purchase Agreement Program

The regulations issued by the Commodity Credit Corporation and the Commodity Stabilization Service published in 23 F.R. 9651 and 24 F.R. 3031, 4125, 6179, 8665 and 9327 and containing the specific requirements for the 1959-Crop Grain Sorghums Price Support Program are hereby amended as follows:

Section 421.4237(b) is amended by adding to the list of basic county support rates the following:

WISCONSIN

County	*Rate per hundredweight*
All counties--	$1.39 (No. 2 or better, and containing not in excess of 13.0 percent moisture.)

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 105, 401, 63 Stat. 1051, as amended, 15 U.S.C. 714c, 7 U.S.C. 1421, 1441)

Issued this 13th day of January 1960.

CLARENCE D. PALMBY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 60-466; Filed, Jan. 15, 1960; 8:53 a.m.]

SUBCHAPTER C—EXPORT PROGRAM REGULATIONS

[Announcement CN-EX-7, Amdt. 1]

PART 482—COTTON

Subpart—1959-60 Cotton Export Program—Payment-in-Kind

EXPIRATION

The regulations issued by Commodity Credit Corporation and Commodity Stabilization Service, published in 24 F.R. 3687, and containing the terms and conditions with respect to the 1959-60 Cotton Export Program—Payment-in-Kind are hereby amended to extend the expiration date of certificates issued in connection with export sales made or telegraphic notices of consignment filed after January 15, 1960. Section 482.211 (e) is amended to read as follows:

(e) *Expiration.* All certificates issued in connection with export sales made or telegraphic notices of consignment filed hereunder on or before January 15, 1960, shall expire July 31, 1960, or 45 days after the date of the certificate, whichever is later, and thereafter will not be redeemable by CCC. All certificates issued in connection with export sales made or telegraphic notices of consignment filed after January 15, 1960, shall expire October 31, 1960, or 45 days after the date of the certificate, whichever is later, and thereafter will not be redeemable by CCC.

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, sec. 203, 70 Stat. 188; 15 U.S.C. 714c, 7 U.S.C. 1853)

Issued this 13th day of January 1960.

CLARENCE D. PALMBY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 60-467; Filed, Jan. 15, 1960; 8:53 a.m.]

Title 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6445]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Deductions for Losses

On October 8, 1959, notice of proposed rule making regarding the regulations under section 165 of the Internal Revenue Code of 1954, as amended, relating to deductions for losses, was published in the FEDERAL REGISTER (24 F.R. 8177). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations as so published are hereby adopted, subject to the changes set forth below. Except as specifically provided otherwise, such regulations are applicable for taxable years beginning after December 31, 1953, and ending after August 16, 1954.

PARAGRAPH 1. Section 1.165-3 is changed by revising paragraph (b) and by deleting paragraph (d).

PAR. 2. Section 1.165-7 is changed:

(A) By revising paragraph (a)(2)(ii)(*d*).

(B) By deleting "the operator of the automobile" from paragraph (a)(3)(ii) thereof and substituting in lieu thereof "the operator of the vehicle".

(C) By revising paragraph (b)(1).

(D) By revising the second sentence of paragraph (b)(2)(i) thereof to read as follows: "Thus, for example, in determining the fair market value of the property before and after the casualty in a case where damage by casualty has occurred to a building and ornamental or fruit trees used in a trade or business, the decrease in value shall be measured by taking the building and trees into account separately, and not together as an integral part of the realty, and separate losses shall be determined for such building and trees."

(E) By deleting the ninth sentence of example (2) of paragraph (b)(3) thereof and inserting in lieu thereof the following sentences: "In 1961 insurance of $5,000 is received to cover the loss to the building. A has no other gains or losses in 1961 subject to section 1231 and § 1.1231-1."

(F) By deleting "as in example (1)" in the first sentence of example (3) of paragraph (b)(3) thereof and inserting in lieu thereof "as in example (2)".

PAR. 3. Paragraph (f) of § 1.165-8 is revised by deleting the third sentence in the example thereof and inserting in lieu thereof the following sentences: "The brooch was fully insured against theft. A controversy develops with the insurance company over its liability in respect of the loss. However, in 1962, B has a reasonable prospect of recovery of the fair market value of the brooch from the insurance company."

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: January 12, 1960.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

PARAGRAPH 1. The following regulations are hereby prescribed under section 165 of the Internal Revenue Code of 1954, as amended by sections 7 and 57(c)(1) of the Technical Amendments Act of 1958 (72 Stat. 1608, 1646) and section 202(a) of the Small Business Tax Revision Act of 1958 (72 Stat. 1676).

Sec.

AUTHORITY: §§ 1.165 to 1.165-10, incl., issued under sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805.

§ 1.165 Statutory provisions; losses.

SEC. 165. *Losses*—(a) *General rule.* There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) *Amount of deduction.* For purposes of subsection (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in section 1011 for determining the loss from the sale or other disposition of property.

(c) *Limitation on losses of individuals.* In the case of an individual, the deduction under subsection (a) shall be limited to—

(1) Losses incurred in a trade or business;

(2) Losses incurred in any transaction entered into for profit, though not connected with a trade or business; and

(3) Losses of property not connected with a trade or business, if such losses arise from fire, storm, shipwreck, or other casualty, or from theft. No loss described in this paragraph shall be allowed if, at the time of the filing of the return, such loss has been claimed for estate tax purposes in the estate tax return.

(d) *Wagering losses.* Losses from wagering transactions shall be allowed only to

the extent of the gains from such transactions.

(e) *Theft losses.* For purposes of subsection (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

(f) *Capital losses.* Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in sections 1211 and 1212.

(g) *Worthless securities*—(1) *General rule.* If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this subtitle, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

(2) *Security defined.* For purposes of this subsection, the term "security" means—

(A) A share of stock in a corporation;

(B) A right to subscribe for, or to receive, a share of stock in a corporation; or

(C) A bond, debenture, note, or certificate, or other evidence of indebtedness, issued by a corporation or by a government or political subdivision thereof, with interest coupons or in registered form.

(3) *Securities in affiliated corporation.* For purposes of paragraph (1), any security in a corporation affiliated with a taxpayer which is a domestic corporation shall not be treated as a capital asset. For purposes of the preceding sentence, a corporation shall be treated as affiliated with the taxpayer only if—

(A) At least 95 percent of each class of its stock is owned directly by the taxpayer, and

(B) More than 90 percent of the aggregate of its gross receipts for all taxable years has been from sources other than royalties, rents (except rents derived from rental of properties to employees of the corporation in the ordinary course of its operating business), dividends, interest (except interest received on deferred purchase price of operating assets sold), annuities, and gains from sales or exchanges of stocks and securities.

In computing gross receipts for purposes of the preceding sentence, gross receipts from sales or exchanges of stocks and securities shall be taken into account only to the extent of gains therefrom.

(h) *Cross references.* (1) For special rule for banks with respect to worthless securities, see section 582.

(2) For disallowance of deduction for worthlessness of securities to which subsection (g)(2)(C) applies, if issued by a political party or similar organization, see section 271.

(3) For special rule for losses on stock in a small business investment company, see section 1242.

(4) For special rule for losses of a small business investment company, see section 1243.

(5) For special rule for losses on small business stock, see section 1244.

[Sec. 165 as amended by secs. 7 and 57(c)(1), Technical Amendments Act 1958 (72 Stat. 1608, 1646) and by sec. 202(a), Small Business Tax Revision Act 1958 (72 Stat. 1676)]

§ 1.165–1 Losses.

(a) *Allowance of deduction.* Section 165(a) provides that, in computing taxable income under section 63, any loss actually sustained during the taxable year and not made good by insurance or some other form of compensation shall be allowed as a deduction subject to any provision of the internal revenue laws which prohibits or limits the amount of deduction. This deduction for losses sustained shall be taken in accordance with section 165 and the regulations thereunder.

(b) *Nature of loss allowable.* To be allowable as a deduction under section 165(a), a loss must be evidenced by closed and completed transactions, fixed by identifiable events, and actually sustained during the taxable year. Only a bona fide loss is allowable. Substance and not mere form shall govern in determining a deductible loss.

(c) *Amount deductible.* (1) The amount of loss allowable as a deduction under section 165(a) shall not exceed the amount prescribed by § 1.1011–1 as the adjusted basis for determining the loss from the sale or other disposition of the property involved. In the case of each such deduction claimed, therefore, the basis of the property must be properly adjusted as prescribed by § 1.1011–1 for such items as expenditures, receipts, or losses, properly chargeable to capital account, and for such items as depreciation, obsolescence, amortization, and depletion, in order to determine the amount of loss allowable as a deduction. To determine the allowable loss in the case of property acquired before March 1, 1913, see also paragraph (b) of § 1.1053–1.

(2) The amount of loss recognized upon the sale or exchange of property shall be determined for purposes of section 165(a) in accordance with § 1.1002–1.

(3) A loss from the sale or exchange of a capital asset shall be allowed as a deduction under section 165(a) but only to the extent allowed in section 1211, relating to the limitation on capital losses, and section 1212, relating to the capital loss carryover, and in the regulations under those sections.

(4) In determining the amount of loss actually sustained for purposes of section 165(a), proper adjustment shall be made for any salvage value and for any insurance or other compensation received.

(d) *Year of deduction.* (1) A loss shall be allowed as a deduction under section 165(a) only for the taxable year in which the loss is sustained. For this purpose, a loss shall be treated as sustained during the taxable year in which the loss occurs as evidenced by closed and completed transactions and as fixed by identifiable events occurring in such taxable year.

(2)(i) If a casualty or other event occurs which may result in a loss and, in the year of such casualty or event, there exists a claim for reimbursement with respect to which there is a reasonable prospect of recovery, no portion of the loss with respect to which reimbursement may be received is sustained, for purposes of section 165, until it can be ascertained with reasonable certainty whether or not such reimbursement will be received. Whether a reasonable prospect of recovery exists with respect to a claim for reimbursement of a loss is a question of fact to be determined upon an examination of all facts and circumstances. Whether or not such reimbursement will be received may be ascertained with reasonable certainty, for example, by a settlement of the claim, by an adjudication of the claim, or by an abandonment of the claim. When a taxpayer claims that the taxable year in which a loss is sustained is fixed by his abandonment of the claim for reimbursement, he must be able to produce objective evidence of his having abandoned the claim, such as the execution of a release.

(ii) If in the year of the casualty or other event a portion of the loss is not covered by a claim for reimbursement with respect to which there is a reasonable prospect of recovery, then such portion of the loss is sustained during the taxable year in which the casualty or other event occurs. For example, if property having an adjusted basis of $10,000 is completely destroyed by fire in 1961, and if the taxpayer's only claim for reimbursement consists of an insurance claim for $8,000 which is settled in 1962, the taxpayer sustains a loss of $2,000 in 1961. However, if the taxpayer's automobile is completely destroyed in 1961 as a result of the negligence of another person and there exists a reasonable prospect of recovery on a claim for the full value of the automobile against such person, the taxpayer does not sustain any loss until the taxable year in which the claim is adjudicated or otherwise settled. If the automobile had an adjusted basis of $5,000 and the taxpayer secures a judgment of $4,000 in 1962, $1,000 is deductible for the taxable year 1962. If in 1963 it becomes reasonably certain that only $3,500 can ever be collected on such judgment, $500 is deductible for the taxable year 1963.

(iii) If the taxpayer deducted a loss in accordance with the provisions of this paragraph and in a subsequent taxable year receives reimbursement for such loss, he does not recompute the tax for the taxable year in which the deduction was taken but includes the amount of such reimbursement in his gross income for the taxable year in which received, subject to the provisions of section 111, relating to recovery of amounts previously deducted.

(3) Any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers the loss (see § 1.165–8, relating to theft losses). However, if in the year of discovery there exists a claim for reimbursement with respect to which there is a reasonable prospect of recovery, no portion of the loss with respect to which reimbursement may be received is sustained, for purposes of section 165, until the taxable year in which it can be ascertained with reasonable certainty whether or not such reimbursement will be received.

(4) The rules of this paragraph are applicable with respect to a casualty or other event which may result in a loss and which occurs after the date of the publication of this paragraph in the FEDERAL REGISTER as a Treasury decision. If the casualty or other event occurs on or before such date, a taxpayer may treat any loss resulting therefrom in accordance with the rules then applicable, or, if he so desires, in accordance with the provisions of this paragraph; but no provision of this paragraph shall be construed to permit a deduction of the same loss or any part thereof in more than one taxable year or to extend the period

of limitations within which a claim for credit or refund may be filed under section 6511.

(e) *Limitation on losses of individuals.* In the case of an individual, the deduction for losses granted by section 165(a) shall, subject to the provisions of section 165(c) and paragraph (a) of this section, be limited to:

(1) Losses incurred in a trade or business;

(2) Losses incurred in any transaction entered into for profit, though not connected with a trade or business; and

(3) Losses of property not connected with a trade or business and not incurred in any transaction entered into for profit, if such losses arise from fire, storm, shipwreck, or other casualty, or from theft, and if the loss involved has not been allowed for estate tax purposes in the estate tax return. For additional provisions pertaining to the allowance of casualty and theft losses, see §§ 1.165–7 and 1.165–8, respectively.

§ 1.165–2 Obsolescence of nondepreciable property.

(a) *Allowance of deduction.* A loss incurred in a business or in a transaction entered into for profit and arising from the sudden termination of the usefulness in such business or transaction of any nondepreciable property, in a case where such business or transaction is discontinued or where such property is permanently discarded from use therein, shall be allowed as a deduction under section 165(a) for the taxable year in which the loss is actually sustained. For this purpose, the taxable year in which the loss is sustained is not necessarily the taxable year in which the overt act of abandonment, or the loss of title to the property, occurs.

(b) *Exceptions.* This section does not apply to losses sustained upon the sale or exchange of property, losses sustained upon the obsolescence or worthlessness of depreciable property, casualty losses, or losses reflected in inventories required to be taken under section 471. The limitations contained in sections 1211 and 1212 upon losses from the sale or exchange of capital assets do not apply to losses allowable under this section.

(c) *Cross references.* For the allowance under section 165(a) of losses arising from the permanent withdrawal of depreciable property from use in the trade or business or in the production of income, see § 1.167(a)–8. For provisions respecting the obsolescence of depreciable property, see § 1.167(a)–9. For the allowance of casualty losses, see § 1.165–7.

§ 1.165–3 Demolition of buildings.

(a) *Intent to demolish formed at time of purchase.* (1) Except as provided in subparagraph (2) of this paragraph, the following rule shall apply when, in the course of a trade or business or in a transaction entered into for profit, real property is purchased with the intention of demolishing either immediately or subsequently the buildings situated thereon: No deduction shall be allowed under section 165(a) on account of the demolition of the old buildings even though any demolition originally planned is subsequently deferred or abandoned. The entire basis of the property so purchased shall, notwithstanding the provisions of § 1.167(a)–5, be allocated to the land only. Such basis shall be increased by the net cost of demolition or decreased by the net proceeds from demolition.

(2) (i) If the property is purchased with the intention of demolishing the buildings and the buildings are used in a trade or business or held for the production of income before their demolition, a portion of the basis of the property may be allocated to such buildings and depreciated over the period during which they are so used or held. The fact that the taxpayer intends to demolish the buildings shall be taken into account in making the apportionment of basis between the land and buildings under § 1.167(a)–5. In any event, the portion of the purchase price which may be allocated to the buildings shall not exceed the present value of the right to receive rentals from the buildings over the period of their intended use. The present value of such right shall be determined at the time that the buildings are first used in the trade or business or first held for the production of income. If the taxpayer does not rent the buildings, but uses them in his own trade or business or in the production of his income, the present value of such right shall be determined by reference to the rentals which could be realized during such period of intended use. The fact that the taxpayer intends to rent or use the buildings for a limited period before their demolition shall also be taken into account in computing the useful life in accordance with paragraph (b) of § 1.167(a)–1.

(ii) Any portion of the purchase price which is allocated to the buildings in accordance with this subparagraph shall not be included in the basis of the land computed under subparagraph (1) of this paragraph, and any portion of the basis of the buildings which has not been recovered through depreciation or otherwise at the time of the demolition of the buildings is allowable as a deduction under section 165.

(iii) The application of this subparagraph may be illustrated by the following example:

Example. In January 1958, A purchased land and a building for $60,000 with the intention of demolishing the building. In the following April, A concludes that he will be unable to commence the construction of a proposed new building for a period of more than 3 years. Accordingly, on June 1, 1958, he leased the building for a period of 3 years at an annual rental of $1,200. A intends to demolish the building upon expiration of the lease. A may allocate a portion of the $60,000 basis of the property to the building to be depreciated over the 3-year period. That portion is equal to the present value of the right to receive $3,600 (3 times $1,200). Assuming that the present value of that right determined as of June 1, 1958, is $2,850, A may allocate that amount to the building and, if A files his return on the basis of a taxable year ending May 31, 1959, A may take a depreciation deduction with respect to such building of $950 for such taxable year. The basis of the land to A as determined under subparagraph (1) of this paragraph is reduced by $2,850. If on June 1, 1960, A ceases to rent the building and demolishes it, the balance of the undepreciated portion allocated to the buildings, $950, may be deducted from gross income under section 165.

(3) The basis of any building acquired in replacement of the old buildings shall not include any part of the basis of the property originally purchased even though such part was, at the time of purchase, allocated to the buildings to be demolished for purposes of determining allowable depreciation for the period before demolition.

(b) *Intent to demolish formed subsequent to the time of acquisition.* (1) Except as provided in subparagraph (2) of this paragraph, the loss incurred in a trade or business or in a transaction entered into for profit and arising from a demolition of old buildings shall be allowed as a deduction under section 165(a) if the demolition occurs as a result of a plan formed subsequent to the acquisition of the buildings demolished. The amount of the loss shall be the adjusted basis of the buildings demolished increased by the net cost of demolition or decreased by the net proceeds from demolition. See paragraph (c) of § 1.165–1 relating to amount deductible under section 165. The basis of any building acquired in replacement of the old buildings shall not include any part of the basis of the property demolished.

(2) If a lessor or lessee of real property demolishes the buildings situated thereon pursuant to the requirements of a lease or the requirements of an agreement which resulted in a lease, no deduction shall be allowed to the lessor under section 165(a) on account of the demolition of the old buildings. However, the adjusted basis of the demolished buildings, increased by the net cost of demolition or decreased by the net proceeds from demolition, shall be considered as a part of the cost of the lease to be amortized over the term thereof.

(c) *Evidence of intention.* (1) Whether real property has been purchased with the intention of demolishing the buildings thereon or whether the demolition of the buildings occurs as a result of a plan formed subsequent to their acquisition is a question of fact, and the answer depends upon an examination of all the surrounding facts and circumstances. The answer to the question does not depend solely upon the statements of the taxpayer at the time he acquired the property or demolished the buildings, but such statements, if made, are relevant and will be considered. Certain other relevant facts and circumstances that exist in some cases and the inferences that might reasonably be drawn from them are described in subparagraphs (2) and (3) of this paragraph. The question as to the taxpayer's intention is not answered by any inference that is drawn from any one fact or circumstance but can be answered only by a consideration of all relevant facts and circumstances and the reasonable inferences to be drawn therefrom.

(2) An intention at the time of acquisition to demolish may be suggested by:

(i) A short delay between the date of acquisition and the date of demolition;

(ii) Evidence of prohibitive remodeling costs determined at the time of acquisition;

(iii) Existence of municipal regulations at the time of acquisition which would prohibit the continued use of the buildings for profit purposes;

(iv) Unsuitability of the buildings for the taxpayer's trade or business at the time of acquisition; or

(v) Inability at the time of acquisition to realize a reasonable income from the buildings.

(3) The fact that the demolition occurred pursuant to a plan formed subsequent to the acquisition of the property may be suggested by:

(i) Substantial improvement of the buildings immediately after their acquisition;

(ii) Prolonged use of the buildings for business purposes after their acquisition;

(iii) Suitability of the buildings for investment purposes at the time of acquisition;

(iv) Substantial change in economic or business conditions after the date of acquisition;

(v) Loss of useful value occurring after the date of acquisition;

(vi) Substantial damage to the buildings occurring after their acquisition;

(vii) Discovery of latent structural defects in the buildings after their acquisition;

(viii) Decline in the taxpayer's business after the date of acquisition;

(ix) Condemnation of the property by municipal authorities after the date of acquisition; or

(x) Inability after acquisition to obtain building material necessary for the improvement of the property.

§ 1.165–4 Decline in value of stock.

(a) *Deduction disallowed.* No deduction shall be allowed under section 165 (a) solely on account of a decline in the value of stock owned by the taxpayer when the decline is due to a fluctuation in the market price of the stock or to other similar cause. A mere shrinkage in the value of stock owned by the taxpayer, even though extensive, does not give rise to a deduction under section 165 (a) if the stock has any recognizable value on the date claimed as the date of loss. No loss for a decline in the value of stock owned by the taxpayer shall be allowed as a deduction under section 165 (a) except insofar as the loss is recognized under § 1.1002–1 upon the sale or exchange of the stock and except as otherwise provided in § 1.165–5 with respect to stock which becomes worthless during the taxable year.

(b) *Stock owned by banks.* (1) In the regulation of banks and certain other corporations, Federal and State authorities may require that stock owned by such organizations be charged off as worthless or written down to a nominal value. If, in any such case, this requirement is premised upon the worthlessness of the stock, the charging off or writing down will be considered prima facie evidence of worthlessness for purposes of section 165(a); but, if the charging off or writing down is due to a fluctuation in the market price of the stock or if no reasonable attempt to determine the worthlessness of the stock has been made, then no deduction shall be allowed under section 165(a) for the amount so charged off or written down.

(2) This paragraph shall not be construed, however, to permit a deduction under section 165(a) unless the stock owned by the bank or other corporation actually becomes worthless in the taxable year. Such a taxpayer owning stock which becomes worthless during the taxable year is not precluded from deducting the loss under section 165(a) merely because, in obedience to the specific orders or general policy of such supervisory authorities, the value of the stock is written down to a nominal amount instead of being charged off completely.

(c) *Application to inventories.* This section does not apply to a decline in the value of corporate stock reflected in inventories required to be taken by a dealer in securities under section 471. See § 1.471–5.

(d) *Definition.* As used in this section, the term "stock" means a share of stock in a corporation or a right to subscribe for, or to receive, a share of stock in a corporation.

§ 1.165–5 Worthless securities.

(a) *Definition of security.* As used in section 165(g) and this section, the term "security" means:

(1) A share of stock in a corporation;

(2) A right to subscribe for, or to receive, a share of stock in a corporation; or

(3) A bond, debenture, note, or certificate, or other evidence of indebtedness to pay a fixed or determinable sum of money, which has been issued with interest coupons or in registered form by a domestic or foreign corporation or by any government or political subdivision thereof.

(b) *Ordinary loss.* If any security which is not a capital asset becomes wholly worthless during the taxable year, the loss resulting therefrom may be deducted under section 165(a) as an ordinary loss.

(c) *Capital loss.* If any security which is a capital asset becomes wholly worthless at any time during the taxable year, the loss resulting therefrom may be deducted under section 165(a) but only as though it were a loss from a sale or exchange, on the last day of the taxable year, of a capital asset. See section 165(g)(1). The amount so allowed as a deduction shall be subject to the limitations upon capital losses described in paragraph (c)(3) of § 1.165–1.

(d) *Loss on worthless securities of an affiliated corporation*—(1) *Deductible as an ordinary loss.* If a taxpayer which is a domestic corporation owns any security of a domestic or foreign corporation which is affiliated with the taxpayer within the meaning of subparagraph (2) of this paragraph and such security becomes wholly worthless during the taxable year, the loss resulting therefrom may be deducted under section 165(a) as an ordinary loss in accordance with paragraph (b) of this section. The fact that the security is in fact a capital asset of the taxpayer is immaterial for this purpose, since section 165(g)(3) provides that such security shall be treated as though it were not a capital asset for the purposes of section 165 (g)(1). A debt which becomes wholly worthless during the taxable year shall be allowed as an ordinary loss in accordance with the provisions of this subparagraph, to the extent that such debt is a security within the meaning of paragraph (a)(3) of this section.

(2) *Affiliated corporation defined.* For purposes of this paragraph, a corporation shall be treated as affiliated with the taxpayer owning the security if:

(i) The taxpayer owns directly at least 95 percent of each class of the stock of such corporation,

(ii) None of the stock of such corporation was acquired by the taxpayer solely for the purpose of converting a capital loss sustained by reason of the worthlessness of any such stock into an ordinary loss under section 165(g)(3), and

(iii) More than 90 percent of the aggregate of the gross receipts of such corporation for all the taxable years during which it has been in existence has been from sources other than royalties, rents (except rents derived from rental of properties to employees of such corporation in the ordinary course of its operating business), dividends, interest (except interest received on the deferred purchase price of operating assets sold), annuities, and gains from sales or exchanges of stocks and securities. For this purpose, the term "gross receipts" means total receipts determined without any deduction for cost of goods sold, and gross receipts from sales or exchanges of stocks and securities shall be taken into account only to the extent of gains from such sales or exchanges.

(e) *Bonds issued by an insolvent corporation.* A bond of an insolvent corporation secured only by a mortgage from which nothing is realized for the bondholders on foreclosure shall be regarded as having become worthless not later than the year of the foreclosure sale, and no deduction in respect of the loss shall be allowed under section 165(a) in computing a bondholder's taxable income for a subsequent year. See also paragraph (d) of § 1.165–1.

(f) *Decline in market value.* A taxpayer possessing a security to which this section relates shall not be allowed any deduction under section 165(a) on account of mere market fluctuation in the value of such security. See also § 1.165–4.

(g) *Application to inventories.* This section does not apply to any loss upon the worthlessness of any security reflected in inventories required to be taken by a dealer in securities under section 471. See § 1.471–5.

(h) *Special rules for banks.* For special rules applicable under this section to worthless securities of a bank, including securities issued by an affiliated bank, see § 1.582–1.

(i) *Examples.* The provisions of this section may be illustrated by the following examples:

Example (1). (i) X Corporation, a domestic manufacturing corporation which makes

its return on the basis of the calendar year, owns 100 percent of each class of the stock of Y Corporation; and, in addition, 4 percent of the common stock (the only class of stock) of Z Corporation, which it acquired in 1948. Y Corporation, a domestic manufacturing corporation which makes its return on the basis of the calendar year, owns 96 percent of the common stock of Z Corporation, which it acquired in 1946. It is established that the stock of Z Corporation, which has from its inception derived all its gross receipts from manufacturing operations, became worthless during 1956.

(ii) Since the stock of Z Corporation which is owned by X Corporation is a capital asset and since X Corporation does not directly own at least 95 percent of the stock of Z Corporation, any loss sustained by X Corporation upon the worthlessness of such stock shall be deducted under section 165(g)(1) and paragraph (c) of this section as a loss from a sale or exchange on December 31, 1956, of a capital asset. The loss so sustained by X Corporation shall be considered a long-term capital loss under the provisions of section 1222(4), since the stock was held by that corporation for more than 6 months.

(iii) Since Z Corporation is considered to be affiliated with Y Corporation under the provisions of paragraph (d)(2) of this section, any loss sustained by Y Corporation upon the worthlessness of the stock of Z Corporation shall be deducted in 1956 under section 165(g)(3) and paragraph (d)(1) of this section as an ordinary loss.

Example (2). (i) On January 1, 1956, X Corporation, a domestic manufacturing corporation which makes its return on the basis of the calendar year, owns 80 percent of each class of the stock of Y Corporation, a foreign corporation, which it acquired in 1950. Y Corporation has, from the date of its incorporation, derived all of its gross receipts from manufacturing operations. It is established that the stock of Y Corporation became worthless on June 30, 1956. On August 1, 1956, X Corporation acquires the balance of the stock of Y Corporation for the purpose of obtaining the benefit of section 165(g)(3) with respect to the loss it has sustained on the worthlessness of the stock of Y Corporation.

(ii) Since the stock of Y Corporation which is owned by X Corporation is a capital asset and since Y Corporation is not to be treated as affiliated with X Corporation under the provisions of paragraph (d)(2) of this section, notwithstanding the fact that, at the close of 1956, X Corporation owns 100 percent of each class of stock of Y Corporation, any loss sustained by X Corporation upon the worthlessness of such stock shall be deducted under the provisions of section 165(g)(1) and paragraph (c) of this section as a loss from a sale or exchange on December 31, 1956, of a capital asset.

Example (3). (i) X Corporation, a domestic manufacturing corporation which makes its return on the basis of the calendar year, owns 95 percent of each class of the stock of Y Corporation, which from its inception has derived all of its gross receipts from manufacturing operations. As one of its capital assets, X Corporation owns $100,000 in registered bonds issued by Y Corporation payable at maturity on December 31, 1960. It is established that these bonds became worthless during 1956.

(ii) Since Y Corporation is considered to be affiliated with X Corporation under the provisions of paragraph (d)(2) of this section, any loss sustained by X Corporation upon the worthlessness of these bonds may be deducted in 1956 under section 165(g)(3) and paragraph (d)(1) of this section as an ordinary loss. The loss may not be deducted under section 166 as a bad debt. See section 166(e).

§ 1.165–6 Farming losses.

(a) *Allowance of losses.* (1) Except as otherwise provided in this section, any loss incurred in the operation of a farm as a trade or business shall be allowed as a deduction under section 165(a) or as a net operating loss deduction in accordance with the provisions of section 172. See § 1.172–1.

(2) If the taxpayer owns and operates a farm for profit in addition to being engaged in another trade or business, but sustains a loss from the operation of the farming business, then the amount of loss sustained in the operation of the farm may be deducted from gross income, if any, from all other sources.

(3) Loss incurred in the operation of a farm for recreation or pleasure shall not be allowed as a deduction from gross income. See § 1.162–12.

(b) *Loss from shrinkage.* If, in the course of the business of farming, farm products are held for a favorable market, no deduction shall be allowed under section 165(a) in respect of such products merely because of shrinkage in weight, decline in value, or deterioration in storage.

(c) *Loss of prospective crop.* The total loss by frost, storm, flood, or fire of a prospective crop being grown in the business of farming shall not be allowed as a deduction under section 165(a).

(d) *Loss of livestock*—(1) *Raised stock.* A taxpayer engaged in the business of raising and selling livestock, such as cattle, sheep, or horses, may not deduct as a loss under section 165(a) the value of animals that perish from among those which were raised on the farm.

(2) *Purchased stock.* The loss sustained upon the death by disease, exposure, or injury of any livestock purchased and used in the trade or business of farming shall be allowed as a deduction under section 165(a). See, also, paragraph (e) of this section.

(e) *Loss due to compliance with orders of governmental authority.* The loss sustained upon the destruction by order of the United States, a State, or any other governmental authority, of any livestock, or other property, purchased and used in the trade or business of farming shall be allowed as a deduction under section 165(a).

(f) *Amount deductible*—(1) *Expenses of operation.* The cost of any feed, pasture, or care which is allowed under section 162 as an expense of operating a farm for profit shall not be included as a part of the cost of livestock for purposes of determining the amount of loss deductible under section 165(a) and this section. For the deduction of farming expenses, see § 1.162–12.

(2) *Losses reflected in inventories.* If inventories are taken into account in determining the income from the trade or business of farming, no deduction shall be allowed under this section for losses sustained during the taxable year upon livestock or other products, whether purchased for resale or produced on the farm, to the extent such losses are reflected in the inventory on hand at the close of the taxable year. Nothing in this section shall be construed to disallow the deduction of any loss reflected in the inventories of the taxpayer. For provisions relating to inventories of farmers, see section 471 and the regulations thereunder.

(3) *Other limitations.* For other provisions relating to the amount deductible under this section, see paragraph (c) of § 1.165–1, relating to the amount deductible under section 165(a); § 1.165–7, relating to casualty losses; and § 1.1231–1, relating to gains and losses from the sale or exchange of certain property used in the trade or business.

(g) *Other provisions applicable to farmers.* For other provisions relating to farmers, see § 1.61–4, relating to gross income of farmers; paragraph (b) of § 1.167(a)–6, relating to depreciation in the case of farmers; and § 1.175–1, relating to soil and water conservation expenditures.

§ 1.165–7 Casualty losses.

(a) *In general*—(1) *Allowance of deduction.* Except as otherwise provided in paragraph (c) of this section, any loss arising from fire, storm, shipwreck, or other casualty is allowable as a deduction under section 165(a) for the taxable year in which the loss is sustained. However, see § 1.165–6, relating to farming losses. The manner of determining the amount of a casualty loss allowable as a deduction in computing taxable income under section 63 is the same whether the loss has been incurred in a trade or business or in any transaction entered into for profit, or whether it has been a loss of property not connected with a trade or business and not incurred in any transaction entered into for profit. The amount of a casualty loss shall be determined in accordance with paragraph (b) of this section. For other rules relating to the treatment of deductible casualty losses, see § 1.1231–1, relating to the involuntary conversion of property.

(2) *Method of valuation.* (i) In determining the amount of loss deductible under this section, the fair market value of the property immediately before and immediately after the casualty shall generally be ascertained by competent appraisal. This appraisal must recognize the effects of any general market decline affecting undamaged as well as damaged property which may occur simultaneously with the casualty, in order that any deduction under this section shall be limited to the actual loss resulting from damage to the property.

(ii) The cost of repairs to the property damaged is acceptable as evidence of the loss of value if the taxpayer shows that (*a*) the repairs are necessary to restore the property to its condition immediately before the casualty, (*b*) the amount spent for such repairs is not excessive, (*c*) the repairs do not care for more than the damage suffered, and (*d*) the value of the property after the repairs does not as a result of the repairs exceed the value of the property immediately before the casualty.

(3) *Damage to automobiles.* An automobile owned by the taxpayer, whether

used for business purposes or maintained for recreation or pleasure, may be the subject of a casualty loss, including those losses specifically referred to in subparagraph (1) of this paragraph. In addition, a casualty loss occurs when an automobile owned by the taxpayer is damaged and when:

(i) The damage results from the faulty driving of the taxpayer or other person operating the automobile but is not due to the willful act or willful negligence of the taxpayer or of one acting in his behalf, or

(ii) The damage results from the faulty driving of the operator of the vehicle with which the automobile of the taxpayer collides.

(4) *Application to inventories.* This section does not apply to a casualty loss reflected in the inventories of the taxpayer. For provisions relating to inventories, see section 471 and the regulations thereunder.

(5) *Property converted from personal use.* In the case of property which originally was not used in the trade or business or for income-producing purposes and which is thereafter converted to either of such uses, the fair market value of the property on the date of conversion, if less than the adjusted basis of the property at such time, shall be used, after making proper adjustments in respect of basis, as the basis for determining the amount of loss under paragraph (b)(1) of this section. See paragraph (b) of § 1.165–9, and § 1.167(f)–1.

(6) *Theft losses.* A loss which arises from theft is not considered a casualty loss for purposes of this section. See § 1.165–8, relating to theft losses.

(b) *Amount deductible*—(1) *General rule.* In the case of any casualty loss whether or not incurred in a trade or business or in any transaction entered into for profit, the amount of loss to be taken into account for the purposes of section 165(a) shall be the lesser of either—

(i) The amount which is equal to the fair market value of the property immediately before the casualty reduced by the fair market value of the property immediately after the casualty; or

(ii) The amount of the adjusted basis prescribed in § 1.1011–1 for determining the loss from the sale or other disposition of the property involved.

However, if property used in a trade or business or held for the production of income is totally destroyed by casualty, and if the fair market value of such property immediately before the casualty is less than the adjusted basis of such property, the amount of the adjusted basis of such property shall be treated as the amount of the loss for purposes of section 165(a).

(2) *Aggregation of property for computing loss.* (i) A loss incurred in a trade or business or in any transaction entered into for profit shall be determined under subparagraph (1) of this paragraph by reference to the single, identifiable property damaged or destroyed. Thus, for example, in determining the fair market value of the property before and after the casualty in a case where damage by casualty has occurred to a building and ornamental or fruit trees used in a trade or business, the decrease in value shall be measured by taking the building and trees into account separately, and not together as an integral part of the realty, and separate losses shall be determined for such building and trees.

(ii) In determining a casualty loss involving real property and improvements thereon not used in a trade or business or in any transaction entered into for profit, the improvements (such as buildings and ornamental trees and shrubbery) to the property damaged or destroyed shall be considered an integral part of the property, for purposes of subparagraph (1) of this paragraph, and no separate basis need be apportioned to such improvements.

(3) *Examples.* The application of this paragraph may be illustrated by the following examples:

Example (1). In 1956 B purchases for $3,600 an automobile which he uses for nonbusiness purposes. In 1959 the automobile is damaged in an accidental collision with another automobile. The fair market value of B's automobile is $2,000 immediately before the collision and $1,500 immediately after the collision. B receives insurance proceeds of $300 to cover the loss. The amount of the deduction allowable under section 165(a) for the taxable year 1959 is $200, computed as follows:

Value of automobile immediately before casualty	$2,000
Less: Value of automobile immediately after casualty	1,500
Value of property actually destroyed	500
Loss to be taken into account for purposes of section 165(a): Lesser amount of property actually destroyed ($500) or adjusted basis of property ($3,600)	500
Less: Insurance received	300
Deduction allowable	200

Example (2). In 1958 A purchases land containing an office building for the lump sum of $90,000. The purchase price is allocated between the land ($18,000) and the building ($72,000) for purposes of determining basis. After the purchase A planted trees and ornamental shrubs on the grounds surrounding the building. In 1961 the land, building, trees, and shrubs are damaged by hurricane. At the time of the casualty the adjusted basis of the land is $18,000 and the adjusted basis of the building is $66,000. At that time the trees and shrubs have an adjusted basis of $1,200. The fair market value of the land and building immediately before the casualty is $18,000 and $70,000, respectively, and immediately after the casualty is $18,000 and $52,000, respectively. The fair market value of the trees and shrubs immediately before the casualty is $2,000 and immediately after the casualty is $400. In 1961 insurance of $5,000 is received to cover the loss to the building. A has no other gains or losses in 1961 subject to section 1231 and § 1.1231–1. The amount of the deduction allowable under section 165(a) with respect to the building for the taxable year 1961 is $13,000, computed as follows:

Value of property immediately before casualty	$70,000
Less: Value of property immediately after casualty	52,000
Value of property actually destroyed	18,000
Loss to be taken into account for purposes of section 165(a): Lesser amount of property actually destroyed ($18,000) or adjusted basis of property ($66,000)	$18,000
Less: Insurance received	5,000
Deduction allowable	13,000

The amount of the deduction allowable under section 165(a) with respect to the trees and shrubs for the taxable year 1961 is $1,200, computed as follows:

Value of property immediately before casualty	$2,000
Less: Value of property immediately after casualty	400
Value of property actually destroyed	1,600
Loss to be taken into account for purposes of section 165(a): Lesser amount of property actually destroyed ($1,600) or adjusted basis of property ($1,200)	1,200

Example (3). Assume the same facts as in example (2) except that A purchases land containing a house instead of an office building. The house is used as his private residence. Since the property is used for personal purposes, no allocation of the purchase price is necessary for the land and house. Likewise, no individual determination of the fair market values of the land, house, trees, and shrubs is necessary. The amount of the deduction allowable under section 165(a) with respect to the land, house, trees, and shrubs for the taxable year 1961 is $14,600, computed as follows:

Value of property immediately before casualty	$90,000
Less: Value of property immediately after casualty	70,400
Value of property actually destroyed	19,600
Loss to be taken into account for purposes of section 165(a): Lesser amount of property actually destroyed ($19,600) or adjusted basis of property ($91,200)	19,600
Less: Insurance received	5,000
Deduction allowable	14,600

(c) *Loss sustained by an estate.* A casualty loss of property not connected with a trade or business and not incurred in any transaction entered into for profit which is sustained during the settlement of an estate shall be allowed as a deduction under sections 165(a) and 641(b) in computing the taxable income of the estate if the loss has not been allowed under section 2054 in computing the taxable estate of the decedent and if the statement has been filed in accordance with § 1.642(g)–1. See section 165(c)(3).

(d) *Loss treated as though attributable to a trade or business.* For the rule treating a casualty loss not connected with a trade or business as though it were a deduction attributable to a trade or business for purposes of computing a net operating loss, see paragraph (a)(3)(iii) of § 1.172–3.

(e) *Effective date.* The rules of this section are applicable to any taxable year beginning after the date of the publication of this section in the FEDERAL REGISTER as a Treasury decision. If, for any taxable year beginning on or before such date, a taxpayer computed the amount of any casualty loss in accordance with the rules then applicable, such taxpayer is not required to change the

amount of the casualty loss allowable for any such prior taxable year. On the other hand, the taxpayer may, if he so desires, amend his income tax return for such year to compute the amount of a casualty loss in accordance with the provisions of this section, but no provision in this section shall be construed as extending the period of limitations within which a claim for credit or refund may be filed under section 6511.

§ 1.165–8 Theft losses.

(a) *Allowance of deduction.* (1) Except as otherwise provided in paragraph (b) of this section, any loss arising from theft is allowable as a deduction under section 165(a) for the taxable year in which the loss is sustained. See section 165(c)(3).

(2) A loss arising from theft shall be treated under section 165(a) as sustained during the taxable year in which the taxpayer discovers the loss. See section 165(e). Thus, a theft loss is not deductible under section 165(a) for the taxable year in which the theft actually occurs unless that is also the year in which the taxpayer discovers the loss. However, if in the year of discovery there exists a claim for reimbursement with respect to which there is a reasonable prospect of recovery, see paragraph (d) of § 1.165–1.

(3) The same theft loss shall not be taken into account both in computing a tax under chapter 1, relating to the income tax, or chapter 2, relating to additional income taxes, of the Internal Revenue Code of 1939 and in computing the income tax under the Internal Revenue Code of 1954. See section 7852(c), relating to items not to be twice deducted from income.

(b) *Loss sustained by an estate.* A theft loss of property not connected with a trade or business and not incurred in any transaction entered into for profit which is discovered during the settlement of an estate, even though the theft actually occurred during a taxable year of the decedent, shall be allowed as a deduction under sections 165(a) and 641(b) in computing the taxable income of the estate if the loss has not been allowed under section 2054 in computing the taxable estate of the decedent and if the statement has been filed in accordance with § 1.642(g)–1. See section 165(c)(3). For purposes of determining the year of deduction, see paragraph (a)(2) of this section.

(c) *Amount deductible.* The amount deductible under this section in respect of a theft loss shall be determined consistently with the manner prescribed in § 1.165–7 for determining the amount of casualty loss allowable as a deduction under section 165(a). In applying the provisions of paragraph (b) of § 1.165–7 for this purpose, the fair market value of the property immediately after the theft shall be considered to be zero. For other rules relating to the treatment of deductible theft losses, see § 1.1231–1, relating to the involuntary conversion of property.

(d) *Definition.* For purposes of this section the term "theft" shall be deemed to include, but shall not necessarily be limited to, larceny, embezzlement, and robbery.

(e) *Application to inventories.* This section does not apply to a theft loss reflected in the inventories of the taxpayer. For provisions relating to inventories, see section 471 and the regulations thereunder.

(f) *Example.* The application of this section may be illustrated by the following example:

Example. In 1955 B, who makes her return on the basis of the calendar year, purchases for personal use a diamond brooch costing $4,000. On November 30, 1961, at which time it has a fair market value of $3,500, the brooch is stolen; but B does not discover the loss until January 1962. The brooch was fully insured against theft. A controversy develops with the insurance company over its liability in respect of the loss. However, in 1962, B has a reasonable prospect of recovery of the fair market value of the brooch from the insurance company. The controversy is settled in March 1963, at which time B receives $2,000 in insurance proceeds to cover the loss from theft. No deduction for the loss is allowable for 1961 or 1962; but the amount of the deduction allowable under section 165(a) for the taxable year 1963 is $1,500, computed as follows:

Value of property immediately before theft	$3,500
Less: Value of property immediately after the theft	0
Balance	3,500
Loss to be taken into account for purposes of section 165(a): ($3,500 but not to exceed adjusted basis of $4,000 at time of theft)	3,500
Less: Insurance received in 1963	2,000
Deduction allowable for 1963	1,500

§ 1.165–9 Sale of residential property.

(a) *Losses not allowed.* A loss sustained on the sale of residential property purchased or constructed by the taxpayer for use as his personal residence and so used by him up to the time of the sale is not deductible under section 165(a).

(b) *Property converted from personal use.* (1) If property purchased or constructed by the taxpayer for use as his personal residence is, prior to its sale, rented or otherwise appropriated to income-producing purposes and is used for such purposes up to the time of its sale, a loss sustained on the sale of the property shall be allowed as a deduction under section 165(a).

(2) The loss allowed under this paragraph upon the sale of the property shall be the excess of the adjusted basis prescribed in § 1.1011–1 for determining loss over the amount realized from the sale. For this purpose, the adjusted basis for determining loss shall be the lesser of either of the following amounts, adjusted as prescribed in § 1.1011–1 for the period subsequent to the conversion of the property to income-producing purposes:

(i) The fair market value of the property at the time of conversion, or

(ii) The adjusted basis for loss, at the time of conversion, determined under § 1.1011–1 but without reference to the fair market value.

(3) For rules relating to casualty losses of property converted from personal use, see paragraph (a)(5) of § 1.165–7. To determine the basis for depreciation in the case of such property, see § 1.167(f)–1. For limitations on the loss from the sale of a capital asset, see paragraph (c)(3) of § 1.165–1.

(c) *Examples.* The application of paragraph (b) of this section may be illustrated by the following examples:

Example (1). Residential property is purchased by the taxpayer in 1943 for use as his personal residence at a cost of $25,000, of which $15,000 is allocable to the building. The taxpayer uses the property as his personal residence until January 1, 1952, at which time its fair market value is $22,000, of which $12,000 is allocable to the building. The taxpayer rents the property from January 1, 1952, until January 1, 1955, at which time it is sold for $16,000. On January 1, 1952, the building has an estimated useful life of 20 years. It is assumed that the building has no estimated salvage value and that there are no adjustments in respect of basis other than depreciation, which is computed on the straight-line method. The loss to be taken into account for purposes of section 165(a) for the taxable year 1955 is $4,200, computed as follows:

Basis of property at time of conversion for purposes of this section (that is, the lesser of $25,000 cost or $22,000 fair market value)	$22,000
Less: Depreciation allowable from January 1, 1952, to January 1, 1955 (3 years at 5 percent based on $12,000, the value of the building at time of conversion, as prescribed by § 1.167(f)–1)	1,800
Adjusted basis prescribed in § 1.1011–1 for determining loss on sale of the property	20,200
Less: Amount realized on sale	16,000
Loss to be taken into account for purposes of section 165(a)	4,200

In this example the value of the building at the time of conversion is used as the basis for computing depreciation. See example (2) wherein the adjusted basis of the building is required to be used for such purpose.

Example (2). Residential property is purchased by the taxpayer in 1940 for use as his personal residence at a cost of $23,000, of which $10,000 is allocable to the building. The taxpayer uses the property as his personal residence until January 1, 1953, at which time its fair market value is $20,000, of which $12,000 is allocable to the building. The taxpayer rents the property from January 1, 1953, until January 1, 1957, at which time it is sold for $17,000. On January 1, 1953, the building has an estimated useful life of 20 years. It is assumed that the building has no estimated salvage value and that there are no adjustments in respect of basis other than depreciation, which is computed on the straight-line method. The loss to be taken into account for purposes of section 165(a) for the taxable year 1957 is $1,000, computed as follows:

Basis of property at time of conversion for purposes of this section (that is, the lesser of $23,000 cost or $20,000 fair market value)	$20,000
Less: Depreciation allowable from January 1, 1953, to January 1, 1957 (4 years at 5% based on $10,000, the cost of the building, as prescribed by § 1.167(f)–1	2,000
Adjusted basis prescribed in § 1.1011–1 for determining loss on sale of the property	18,000
Less: Amount realized on sale	17,000
Loss to be taken into account for purposes of section 165(a)	1,000

§ 1.165–10 Wagering losses.

Losses sustained during the taxable year on wagering transactions shall be allowed as a deduction but only to the extent of the gains during the taxable year from such transactions. In the case of a husband and wife making a joint return for the taxable year, the combined losses of the spouses from wagering transactions shall be allowed to the extent of the combined gains of the spouses from wagering transactions.

§ 1.167 [Amendment]

PAR. 2. Section 1.167 (a)–9 of the Income Tax Regulations (26 CFR 1.167 (a)–9), as prescribed by Treasury Decision 6182 (21 F.R. 3985), approved June 7, 1956, is amended by striking "an asset is suddenly terminated, see section 165 and the regulations thereunder" in the seventh sentence thereof and inserting in lieu thereof "depreciable property is suddenly terminated, see § 1.167(a)–8".

(Sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805)

[F.R. Doc. 60–446; Filed, Jan. 15, 1960; 8:51 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 207—NAVIGATION REGULATIONS

Atchafalaya River, La.

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 207.240 governing navigation on the reach of Lower Atchafalaya River, Louisiana, is hereby amended changing the signals, eliminating certain restrictions on tows, and making other miscellaneous revisions, as follows:

§ 207.240 Atchafalaya River, La.; special regulations to govern navigation through the reach of the Lower Atchafalaya River (Berwick Bay) in the vicinity of the Southern Pacific Railroad Bridge at Morgan City, La.

(a) Whenever the velocity of flow, either southward or northward, through the reach of the Lower Atchafalaya River (Berwick Bay) at Morgan City, La., reaches or exceeds a critical velocity as determined by the District Engineer, United States Army Engineer District, New Orleans, or whenever the District Engineer finds it necessary for the protection of life and property, the movement of vessels and the composition of tows passing through the Southern Pacific Railroad Bridge shall be governed by the regulations in this section. Day and night visual signals will be displayed at the center of the drawspan above the operator's house on top of the bridge structure when the regulations are in effect. During periods of foggy or inclement weather, or when for any other reason the visual signals cannot readily be seen, notice that the signals are being displayed will be given by blasts of a fog horn located on the bridge. To indicate that signals are being displayed to govern traffic moving through the bridge, one blast of 6 seconds' duration each minute will be sounded on air horn.

(b) By day the visual signals will consist of two red balls 2 feet in diameter displayed, one above the other not less than 4 feet nor more than 6 feet apart, from a pole, to indicate that vessels and tows moving through the bridge shall be governed by the regulations in this section.

(c) At night the visual signal will consist of two focused, flashing, white lights visible 360 degrees, of such character as to be visible on a dark night with a clear atmosphere for a distance of at least two (2) miles; displayed vertically one above the other, not less than four (4) feet nor more than six (6) feet apart, on the highest part of the swing span.

(d) When the signals described in paragraphs (b) and (c) of this section are displayed, unless otherwise directed by the District Engineer, tows made up of a barge with rakes on both ends or any other type vessel (except as described below), moving south through the bridge shall not exceed one barge with the towing vessel lashed securely in the rear or alongside of the barge.

(e) When the signals described in paragraphs (b) and (c) of this section are displayed, unless otherwise directed by the District Engineer, tows made up of barges with rakes on both ends, or other type vessel (except as described below), moving north through the bridge shall not exceed two (2) barges arranged in tandem with the towing vessel in the rear pushing the tow with its bow made up to the stern of the rear barge or lashed securely alongside and near the stern of the rear barge.

(f) Integrated tows consisting of bow section, middle box sections and stern section, with the push boats made up rigidly astern, may proceed in either direction through the bridge opening with a maximum of four sections. Regardless of the direction of the flow, the tow shall move through the navigation opening of the bridge at a minimum speed required to maintain steerageway.

(g) The regulations of paragraphs (d), (e), and (f) of this section shall not apply to tows with two (2) towing vessels of sufficient power, one ahead and one astern of the tow.

(h) Vessels and tows proceeding with the current shall have the right of way over vessels and tows proceeding against the current. When two vessels or tows are about to enter the navigation opening through the bridge from opposite directions at the same time, the vessel or tow proceeding against the current shall stop short of the opening until the vessel or tow having the right of way shall have passed through.

(i) Vessels and tows desiring to pass through the navigation opening of the bridge shall approach the opening along the axis of the channel and shall proceed with due regard for direction and velocity of the current and for any tendency to drift either to the right or to the left so as to pass through without danger of striking the bridge or the fenders. No vessel or tow shall attempt passage through the navigation opening until the bridge is fully open.

(Sec. 7, 40 Stat. 266; 33 U.S.C. 1) [Regs., Dec. 30, 1959, 285/91 (Atchafalaya River, La.)—ENGWO]

R. V. LEE,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 60–420; Filed, Jan. 15, 1960; 8:46 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[25 CFR Part 221]

SALT RIVER INDIAN IRRIGATION PROJECT, ARIZONA

Operation and Maintenance Charges

Basis and purpose. Notice is hereby given that pursuant to the authority contained in the Act of August 1, 1914 (38 Stat. 583), and the Act of March 7, 1928 (45 Stat. 210), it is proposed to amend § 221.120 and to add a new section to Part 221 to read as set forth below. The purpose of this amendment and addition is to increase the basic operation and maintenance charge from $5.50 to $7.35 per acre per annum and to provide for the establishment of a charge of $8.00 per acre foot for excess water on the Salt River Indian Irrigation Project, Arizona.

It is the policy of the Department of the Interior whenever practicable, to afford the public an opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendment to the Commissioner of Indian Affairs, Department of the Interior, Washington 25, D.C., within thirty days of the date of publication of this notice in the FEDERAL REGISTER.

1. Section 221.120 is amended to read as follows:

§ 221.120 Basic assessment.

The basic operation and maintenance assessment against the lands under the Salt River Indian Irrigation Project in Arizona to which water can be delivered through the irrigation project works is hereby fixed at $7.35 per acre for the calendar year 1960 and subsequent years until further notice. The payment of the per acre assessment shall entitle the land for which payment is made to receive three acre feet of water per annum or such lesser amount as represents the

proportionate share of the available supply of water.

2. A new § 221.123 is added to read as follows:

§ 221.123 Excess water.

Additional water in excess of the basic apportionment of three acre-feet per acre per annum may be purchased if and when the water is available at the rate of $8.00 per acre-foot or fraction thereof, measured at the farm delivery point. Payment shall be made in advance of delivery.

ROGER ERNST,
Assistant Secretary of the Interior.

JANUARY 11, 1960.

[F.R. Doc. 60-434; Filed, Jan. 15, 1960; 8:49 a.m.]

National Park Service

[36 CFR Part 7]

YOSEMITE NATIONAL PARK

Eating and Drinking Establishments and Sale of Food and Drink on Privately-Owned Lands

Basis and purpose. Notice is hereby given that pursuant to section 4(a) of the Administrative Procedure Act, approved June 11, 1946 (60 Stat. 238; 5 U.S.C., 1952 ed., sec. 1003), authority contained in section 3 of the act of August 25, 1916 (39 Stat. 535; 16 U.S.C., 1952 ed., sec. 3), National Park Service Order No. 14, 19 F.R. 8824; Regional Director, Region Four, Order No. 3, 21 F.R. 1495, it is proposed to amend 36 CFR 7.16 as set forth below. The purpose of this amendment is to establish sanitary regulations governing eating and drinking establishments and the sale of food and drink on privately-owned lands in Yosemite National Park. To accomplish this purpose the amendment provides for the issuance of permits after inspection and approval by the County Health Officer of premises to be licensed.

It is the policy of the Department of the Interior whenever practicable, to afford the public an opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendment to the Superintendent, Yosemite National Park, California, within thirty days of the date of publication of this notice in the FEDERAL REGISTER.

KEITH P. NEILSON,
Acting Superintendent,
Yosemite National Park.

Section 7.16 is amended by adding a new paragraph (h), reading as follows:

(h) *Regulations governing eating and drinking establishments and sale of food and drink.* (1) No restaurant, coffee shop, cafeteria, short order cafe, lunch room, tavern, sandwich stand, soda fountain, or other eating and drinking establishment, including kitchens, or other place in which food and drink is prepared for sale elsewhere, may be operated on any privately-owned lands within Yosemite National Park unless a permit for the operation thereof has first been secured from the Superintendent.

(2) The Superintendent will issue such a permit only after an inspection of the premises to be licensed by the County Health Officer and written notice that the premises comply with the substantive requirements of State and County health laws and ordinances which would apply to the premises if the privately-owned lands were not subject to the jurisdiction of the United States.

(3) The Superintendent or his duly authorized representative shall have the right of inspection at all reasonable times for the purpose of ascertaining whether eating and drinking establishments are being operated in a sanitary manner.

(4) No fee will be charged for the issuance of such a permit.

(5) The applicant or permittee may appeal to the Regional Director, Region Four, National Park Service, from any final action of the Superintendent refusing, conditioning or revoking the permit. Such an appeal, in writing, shall be filed within twenty days after receipt of notice by the applicant or permittee of the action appealed from. Any final decision of the Regional Director may be appealed to the Director of the National Park Service within 15 days after receipt of notice by the applicant or permittee of the Regional Director's decision.

(6) The revocable permit for eating and drinking establishments and sale of food and drink authorized in this paragraph to be issued by the Superintendent shall contain general regulatory provisions as hereinafter set forth, and will include such special conditions as the Superintendent may deem necessary to cover existing local circumstances, and shall be in a form substantially as follows:

FRONT OF PERMIT

No. ------

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

REVOCABLE PERMIT FOR OPERATION OF EATING AND DRINKING ESTABLISHMENTS, AND FOR SALE OF FOOD AND DRINK

Permission is hereby granted ---------- of ----------, during the period from ---------- 19-- to ---------- 19--, inclusive to operate a ----------
(Specify type of establishment)
on the following described privately-owned lands within Yosemite National Park, over which the United States exercises exclusive jurisdiction ---------- subject to the general provisions and any special conditions stated on the reverse hereof.

Issued at ---------- this ------ day of ----------, 19--.

Superintendent

The undersigned hereby accepts this permit subject to the terms, covenants, obligations, and reservations, expressed or implied, therein.

Two witnesses to signature(s):

---------- [1] ----------
---------- ----------
(Address) (Address)
---------- ----------
---------- ----------
(Address) (Address)

[1] Sign name or names as written in body of permit; for copartnership, permittees should sign as "Members of firm"; for corporation, the officer authorized to execute contracts, etc., should sign, with title, the sufficiency of such signature being attested by the secretary, with corporate seal, in lieu of witnesses.

Reverse of Permit

GENERAL REGULATORY PROVISIONS OF THIS PERMIT

1. Permittee shall exercise this privilege subject to the supervision of the Superintendent of the Park and shall comply with the regulations of the Secretary of the Interior governing the Park.

2. Any building or structure used for the purpose of conducting the business herein permitted shall be kept in a safe, sanitary, and sightly condition.

3. Permittee shall dispose of brush and other refuse from the business herein permitted as required by the Superintendent.

4. Permittee shall pay to the United States for any damage resulting to Government-owned property from the operation of the business herein permitted.

5. Permittee, his agents, and employees shall take all reasonable precautions to prevent forest fires and shall assist the Superintendent to extinguish forest fires within the vicinity of the place of business herein permitted, and in the preservation of good order within the vicinity of the business operations herein permitted.

6. Failure of the permittee to comply with all State and County substantive laws and ordinances applicable to eating and drinking establishments and the sale of food and drink, or to comply with any law or any regulations of the Secretary of the Interior governing the Park, or with the conditions imposed by this permit, will be ground for revocation of this permit.

7. No disorderly conduct shall be permitted on the premises.

8. This permit may not be transferred or assigned without the consent, in writing, of the Superintendent.

9. Neither Members of, nor Delegates to Congress, or Resident Commissioners, officers, agents, or employees of the Department of the Interior shall be admitted to any share or part of this permit or derive, directly or indirectly, any pecuniary benefit arising therefrom.

10. The following special provisions are made a part of this permit:

[F.R. Doc. 60-436; Filed, Jan. 15, 1960; 8:49 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 376]

[Special Regs.; Docket No. 11086]

FLIGHT PATTERNS OF HELICOPTER OPERATORS

Notice of Proposed Rule Making

JANUARY 13, 1960.

Notice is hereby given that the Civil Aeronautics Board has under consideration the adoption of a new Part 376 of the Special Regulations governing the requests filed by the certificated helicopter carriers for amendments to the flight patterns governing their operations under area exemptions.

The principal features of the proposed regulation are explained in the explanatory statement below, and the proposed new part is set forth below. This regulation is proposed under authority of sections 204(a) and 416 of the Federal Aviation Act of 1958 (72 Stat. 743, 771; 49 U.S.C. 1324, 1386).

Interested persons may participate in the proposed rule making through submission of seven (7) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington 25, D.C. All relevant matter in communications received on or before February 15, 1960 will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available on or after February 17, 1960, for examination by interested persons in the Docket Section of the Board, Room 711, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

This notice shall be served on Chicago Helicopter Airways, Inc., Los Angeles Airways, Inc., and New York Airways, Inc.

By the Civil Aeronautics Board:

[SEAL] MABEL MCCART,
Acting Secretary.

Explanatory statement. At the present time, the operations of the certificated helicopter air carriers are governed by area exemption authority as well as certificates of public convenience and necessity. As a condition to their operations under the area exemption authority, these carriers are required to file proposed amended flight patterns with the Board and, in the case of passenger services, to secure Board approval before operating under such proposed flight patterns. A "Flight Pattern" is defined in the carrier's exemption authority as a written statement showing the points between which, and the order in which, the carrier proposes to render service with respect to persons, property or mail. It should be noted that changes in frequency do not constitute a change in a flight pattern and thus do not require the filing of an application for an amended flight pattern.

In the absence of specific regulatory requirements, there has been no uniformity among the helicopter air carriers as to form, contents and time of filing of their applications for flight pattern amendments. The lack of uniformity in this regard tends to unduly hamper the Board in the processing of such applications. In order to rectify this situation, the provisions of this regulation specify generally the form of applications, the time when such applications must be filed, and the information required to be set forth. In addition, it is proposed to require that the helicopter carriers submit estimates, by type of equipment, of the additional costs and revenues expected to result from the flight pattern amendment. The Board feels that such estimates are necessary because of the possible effect of service changes on the carriers' subsidy requirements.

For the purpose of expediting the administrative processing of these applications, the proposed rule requires that applications conform to the requirements of Rules 3 and 4(b) (§§ 302.3 and 302.4 (b)) of Part 302 of the Board's procedural regulations, and the rule contains certain requirements as to subscription of applications and identification of persons to whom communications with respect to application should be addressed. For administrative convenience, the carriers would be required to file their applications at least 45 days prior to the desired effective date.

While the purpose of this regulation is to implement the Board's orders granting the helicopter carriers area exemption authority, it is deemed advisable in the interest of flexibility of the carriers' operations to make the requirements contained in the various area exemption authorities concerning the service of notices of the filing of amended flight pattern applications uniform and less burdensome. Thus the provisions contained in § 376.4 of this proposed regulation would supersede the requirements in the various area exemption authorities and require service of notices and proposed amended passenger flight patterns only on those localities where it is proposed to suspend existing passenger service. Furthermore, it is deemed appropriate at this time to clarify the provision in the various area exemption authorities concerning the action which the Board may take on its own initiative with respect to current flight patterns.

The proposed regulations read as follows:

§ 376.1 Definitions.

As used in this part, "Flight pattern" means a written statement filed by the applicant with the Board showing the points between which and the order in which the carrier proposes to render service with respect to persons, property or mail.

§ 376.2 Applicability.

This part shall be applicable to those certificated helicopter carriers which additionally operate under an exemption authority requiring that such carrier shall render service thereunder only in accordance with an approved flight pattern.

Subpart A—Application

§ 376.3 General requirements as to form.

(a) Applications for flight pattern amendments shall meet the requirements set forth in Rule 3 and Rule 4(b) (§§ 302.3 and 302.4(b)) of the Rules of Practice, Part 302 of the Board's regulations.

(b) All pages of an application shall be consecutively numbered, and the application shall clearly describe and identify each exhibit by a separate number or symbol. All exhibits shall be deemed to constitute a part of the application to which they are attached.

(c) The application shall state on the first page thereof the name and post office address of the person or persons to whom communications should be addressed with respect to the application.

§ 376.4 Filing and service.

Applications for flight pattern amendments shall be filed with the Docket Section of the Board not later than 45 days prior to the desired effective date. Prior to or coincident with the filing of any amended flight pattern application with respect to the carriage of persons which proposes suspension of passenger servce to any point, the carrier shall serve a notice of such filing together with a copy of the proposed amended passenger flight pattern upon the chief executive of the city, town or other unit of local government at each point regularly receiving passenger service, at which suspension of such service is proposed. Such persons shall have ten days thereafter in which to file with the Board, and serve upon the carrier, their views with respect to the proposed suspension of passenger service.

§ 376.5 General provisions regarding contents.

The statements contained in an application shall be restricted to significant and relevant facts. Each applicant shall give full and adequate information with respect to each of the items set forth in this section. However, the application may contain such other information and data as the applicant shall deem necessary or appropriate in order to acquaint the Board fully with the particular circumstances of its case. Every such application shall contain the following information:

(a) The date the flight pattern revision is proposed to become effective;

(b) An indication whether the service requested in the flight pattern amendment is (1) passenger, (2) mail and/or property, or (3) passenger, mail and/or property (a separate flight pattern amendment application shall be filed for each of these separate categories);

(c) An indication by name and by heliport number of the points between which, and the order in which, the carrier proposes to render service, by type of equipment, indicating (1) the approximate air mileage to any new point for which service is proposed; (2) the present and the proposed mileage of each flight for which amendment is requested, and (3) the total mileage of the system as presently operated and as proposed;

(d) Estimates of cost and revenue changes expected to result from the flight pattern amendment, indicating for each component, the basis of the estimates and computations;

(e) A copy of the revised or new schedule page filed or to be filed with the Board showing the time and frequency of the present and proposed service, by type of equipment. (If proposed amendment includes property and mail service, endorsement of the Post Office Department must be obtained by the carrier on each copy of the schedules; if amendment involves only passenger service, no Post Office endorsement is required);

(f) A map or schedule diagram showing the current and the proposed routing, by type of equipment, for only the flights to be amended;

(g) A certificate of service listing the names and addresses of those served, as required in § 376.4.

§ 376.6 Incorporation by reference.

In general it is desirable that incorporation by reference shall be avoided. However, where two or more applications are filed by a single carrier, lengthy exhibits or other documents attached to one may be incorporated in the others

by reference if that procedure will substantially reduce the cost to the applicant.

Subpart B—Authorization

§ 376.10 Operations pursuant to proposed amended flight patterns.

A certificated helicopter carrier may conduct operations pursuant to an amended flight pattern filed with the Board in accordance with the provisions of this part as follows:

(a) With respect to the carriage of passengers: Only after the Board expressly approves such proposed flight pattern,

(b) With respect to the carriage property or mail: After the effective date unless and until such proposed flight pattern is disapproved by the Board.

§ 376.11 Disapproval or modification of flight patterns on the Board's initiative.

The Board may, in its discretion and without hearing:

(a) Disaprove, in whole or in part, or approve subject to modification any flight pattern filed with the Board; and

(b) Withdraw, in whole or in part, or modify approval of any flight pattern it has previously approved: *Provided, however,* That no flight pattern with respect to the carriage of passengers shall be withdrawn or modified until the applicant carrier and the persons described in § 376.4 have been notified of the proposal to modify or withdraw the current flight pattern with respect to passenger service. Such persons shall have ten days thereafter in which to present their views concerning such proposed action.

[F.R. Doc. 60-469; Filed, Jan. 15, 1960; 8:53 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 60]

[Reg. Docket No. 234; Draft Release 60-1]

AIR TRAFFIC RULES

Air Traffic Control Clearances and Instructions

Pursuant to the authority delegated to me by the Administrator (§ 405.27 24 F.R. 2196), notice is hereby given that the Federal Aviation Agency has under consideration a proposal to amend Civil Air Regulations, Part 60, §§ 60.19 and 60.60, as hereinafter set forth.

Interested persons may participate in the making of the proposed rule by submitting such written data, views or arguments as they may desire. Communications should be submitted in duplicate to the Docket Section of the Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. All communications received by March 18, 1960, will be considered by the Administrator before taking action upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination by interested persons in the Docket Section when the prescribed date for the return of comments has expired. Because of the large number of comments anticipated in reply to this notice, we will be unable to acknowledge receipt of each reply.

Part 60 of the Civil Air Regulations comprises the Air Traffic Rules and contains certain definitions pertaining thereto. Sections 60.19 and 60.21 of this part prescribe certain requirements attendant to instructions and clearances issued by air traffic control. These regulatory provisions are essential to the function of air traffic control (ATC) in providing for the safe, orderly, and expeditious movement of air traffic.

The current § 60.19 specifies, in effect, that no person shall operate an aircraft contrary to air traffic control instructions.

Section 60.21 provides, in effect, that when an ATC clearance has been obtained, a pilot shall not deviate from the provisions thereof unless an amended clearance is obtained. An ATC clearance is defined as: "Authorization by air traffic control, for the purpose of preventing collision between known aircraft, for an aircraft to proceed under specified traffic conditions within controlled airspace."

While the rules provide for the use of the two terms "Clearance" and "Instruction," practice has emphasized the significance of a "Clearance" to the extent that the term "Instruction" has virtually disappeared from the vocabulary of ATC usage. Infrequent application of the authority to issue instructions, as authorized in § 60.19, has submerged the distinction between the two terms to the extent that there are those who believe the authority of ATC is confined to issuing clearances.

The continued safe and efficient control of air traffic demands a recognition of the authority of an air traffic controller to issue "Instructions" as well as "Clearances" and the distinction between the two terms must be understood by controllers and pilots alike. The distinction which must be made between these two terms is the "arrangement" or "agreement" nature of one (Clearance) and the immediate mandatory nature of the other (Instruction).

The "arrangement" concept associated with an ATC clearance is a sound one and it is not intended to modify that concept herein except to revise the definition of an air traffic control clearance to more clearly indicate its "arrangement" nature. A common understanding exists, by rule and by practice, that an air traffic control clearance is an "authorization," the provisions of which become binding after it has been accepted by the pilot. The practicability and usefulness of this understanding is evidenced by the many years of successful application. In issuing an ATC clearance, or an amended clearance, it has been long recognized that a pilot may request a different course of action if he believes he has information which would make such action more practicable. Traffic conditions permitting, the alternative action preferred by the pilot is authorized as a matter of routine. In some traffic situations, reasonable time for an inquiry and exchange of transmissions regarding the possibility of alternative action can be accommodated. However, in many traffic situations today, time and/or circumstances will not accommodate anything except compliance with the provisions of a control message.

Incidents have occurred recently in which some pilots have insisted on extending discussions regarding control messages to the point that the controller's efforts to provide safe separation were frustrated. These discussions became so extensive as to result in the controller being helpless to provide separation between aircraft operating on IFR flight plans. While occurrences of this kind are fortunately not prevalent, the frequency has increased and the alarming seriousness of the potential consequences demands early corrective action.

There is an urgent need to clarify and emphasize the authority of an air traffic controller to require immediate compliance with specific instructions when time and/or traffic conditions do not permit discussion of preferred alternative actions. Therefore, it is intended herein to amend §§ 60.19 and 60.60 to more clearly reflect the meaning of the terms "Clearance" and "Instruction," and to emphasize their difference. These revisions will specify the obligations associated with the two terms and will provide a distinct understanding of their intent. This action is expected to clarify and emphasize the authority of ATC to require immediate compliance with specific actions by pilots as intended in § 60.19 of the Air Traffic Rules.

The action required by an ATC instruction shall be initiated by a pilot according to the terms of the instruction. While the pilot may request an alternative action, he shall do so only after he has complied with the terms of the instruction. Air traffic control clearances shall continue to represent an "authorization," the conditions of which become binding after it has been accepted by the pilot.

These revisions are intended to make it clear that in those instances when the time and/or the existing traffic conditions require immediate action, the controller can require compliance in order to provide appropriate safety standards. The pilot may readily recognize a mandatory message since the word "instructs" or "instructed" will be included in all messages intended as an ATC instruction.

It is not intended herein to modify or diminish the authority and responsibility of pilots. Section 60.2 clearly provides that the pilot in command shall be directly responsible for the operation of his aircraft and shall have final authority as to its operation. In emergency situations which require immediate decision and action, the pilot may deviate from the rules to the extent required by considerations of safety.

Since this amendment is a clarification and restatement of the existing regulatory situation, it could be adopted without notice and opportunity for comments. However, since the present practice may have misled some pilots as to the obligatory nature of an air traffic control instruction, the Agency is publishing this

amendment as a proposal for comment, so that all pilots may be informed, and to provide them an opportunity to submit any comments they may care to make concerning it.

The controller's use of the authority contained in § 60.19 as amended herein will be confined to those occasions wherein discussion of the merits or terms of a control message is not deemed advisable in the interest of safety. Such decision must rest with the air traffic controller. Proper application of such authority will be insured by detailed procedural directives.

In consideration of the foregoing, notice is hereby given that Part 60 of the Civil Air Regulations (14 CFR Part 60 as amended) is proposed to be amended:

1. by amending § 60.19 to read as follows:

§ 60.19 Air traffic control instructions.

No person shall operate an aircraft contrary to air traffic control instructions within areas where air traffic control is exercised. When an air traffic control instruction has been issued, compliance with the provisions thereof shall be mandatory according to its terms.

2. By amending § 60.60 by adding, in proper alphabetical order, the following new definitions:

§ 60.60 Definitions.

* * * * *

Air traffic control instructions. A directive issued by ATC for air traffic control purposes, compliance with which is mandatory according to its terms, for aircraft to operate as directed within areas where air traffic control is exercised. Such a directive shall, in all cases, contain the word "instruct" in one of its forms.

Air traffic control clearance. An authorization issued by ATC for air traffic control purposes, the provisions of which become mandatory after acceptance by the pilot, for an aircraft to proceed under specified conditions within areas where air traffic control is exercised.

This amendment is proposed under the authority of sections 313(a) and 307(c) of the Federal Aviation Act of 1958 (72 Stat. 752, 749; 49 U.S.C. 1354, 1348).

Issued in Washington, D.C., on January 11, 1960.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 60-422; Filed, Jan. 15, 1960; 8:47 a.m.]

NOTICES

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[Order 23 (Revised)]

ADMINISTRATIVE ASSISTANT TO THE COMMISSIONER AND DIRECTOR, OPERATING FACILITIES DIVISION

Delegation of Authority Concerning Settlement of Tort Claims

1. Pursuant to Treasury Department Order No. 145 (Revision No. 2), dated October 28, 1959, there is hereby delegated to the Administrative Assistant to the Commissioner and the Director, Operating Facilities Division:

(a) The authority, under 28 U.S.C. 2672, to consider, ascertain, adjust, determine, settle and pay claims for money damages of $2,500 or less, for injury, loss, or death caused by the negligent or wrongful act or omission of any employee of the Internal Revenue Service; and

(b) The authority to consider, ascertain, adjust and determine claims under the Act of December 28, 1922, 42 Stat. 1066.

2. This authority may not be redelegated.

3. The authority delegated herein to the Director, Operating Facilities Division, shall be subject to the direction and supervision of the Administrative Assistant to the Commissioner, who shall have authority to revise or modify all or any part of the authority delegated to the Director, Operating Facilities Division.

4. This Order supersedes Commissioner Delegation Order No. 23, dated February 29, 1956.

Dated: December 21, 1959.

Effective: December 21, 1959.

[SEAL] DANA LATHAM,
Commissioner.

[F.R. Doc. 60-449; Filed, Jan. 15, 1960; 8:51 a.m.]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

GEORGIA

Designation of Area for Production Emergency Loans

For the purpose of making production emergency loans pursuant to section 2(a) of Public Law 38, 81st Congress (12 U.S.C. 1148a-2(a)), as amended, it has been determined that in Burke County, Georgia, a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Pursuant to the authority set forth above, production emergency loans will not be made in the above-named county after June 30, 1960, except to applicants who previously received such assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 13th day of January 1960.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 60-416; Filed, Jan. 15, 1960; 8:45 a.m.]

DEPARTMENT OF COMMERCE

Federal Maritime Board

MATSON NAVIGATION CO. AND BOARD OF HARBOR COMMISSIONERS OF STATE OF HAWAII

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U.S.C. 814):

Agreement No. 8445, between Matson Navigation Company and the Board of Harbor Commissioners of the State of Hawaii, whereby the Board grants to Matson a license to, and Matson agrees to, install and operate a Container Freight Handling Facility at Diamond Head Terminal Pier 2, in Honolulu and to improve and operate an open Marshalling Yard and Container Freight Station adjacent thereto, on the terms and conditions set forth in the agreement.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D.C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: January 12, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-421; Filed, Jan. 15, 1960; 8:46 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

OUTER CONTINENTAL SHELF OFF LOUISIANA AND TEXAS

Oil and Gas Lease Offer; Amendment

In the oil and gas lease offer of December 16, 1959 (24 F.R. 10411, on page 10412) portions of the following tracts were listed as falling within Fairway Areas designated by the District Engineer, New Orleans District, Corps of Engineers, U.S. Army, on drawing approved February 17, 1955 (revised March 30, 1955), file No. A-1-20011:

LOUISIANA OFFICIAL LEASING MAP NO. 1

WEST CAMERON AREA

Tract No.	Block	Description
LA. 586..	174	That portion in Zone 3 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 587..	174	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 588..	175	That portion in Zone 3 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 589..	175	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 590..	176	All.
LA. 591..	177	That portion in Zone 3 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 592..	177	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 593..	178	That portion in Zone 3 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 594..	178	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.

LOUISIANA OFFICIAL LEASING MAP NO. 2

EAST CAMERON AREA

LA. 613..	65	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.

The listing of the foregoing tracts as being so affected is hereby revoked.

Portions of the following tracts fall within Fairway Areas designated by the District Engineers, New Orleans District, Corps of Engineers, U.S. Army, on drawing approved February 17, 1955 (revised September 19, 1956 and May 21, 1957), file No. A-1-20011:

LOUISIANA OFFICIAL LEASING MAP NO. 1

WEST CAMERON AREA

Tract No.	Block	Description
LA. 584..	173	That portion in Zone 3 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 585..	173	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 586..	174	That portion in Zone 3 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 587..	174	That portion in Zone 4 as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.
LA. 595..	179	All.
LA. 596..	180	Do.
LA. 600..	201	Do.
LA. 607..	216	Do.
LA. 708..	217	Do.

For operational restrictions imposed within the Fairway Areas, the District Engineer should be consulted.

The Oil and Gas Lease Offer of December 16, 1959 is amended accordingly.

EDWARD WOOZLEY,
Director.

JANUARY 13, 1960.

[F.R. Doc. 60-464; Filed, Jan. 15, 1960; 8:52 a.m.]

National Park Service

[Order 4]

MOUNT RAINIER NATIONAL PARK; ASSISTANT SUPERINTENDENT ET AL.

Delegation of Authority With Respect to Certain Contracts

NOVEMBER 20, 1959.

SECTION 1. *Assistant Superintendent, Administrative Officer and Purchasing Agent.* The Assistant Superintendent, Administrative Officer, and Purchasing Agent may execute and approve contracts not in excess of $50,000 for supplies, equipment or services in conformity with applicable regulations and statutory authority and subject to availability of appropriations.

SEC. 2. *Supply Clerk.* The Supply Clerk may execute and approve contracts not in excess of $5,000 for supplies, equipment, or services in conformity with applicable regulations and statutory authority and subject to availability of appropriations.

SEC. 3. *Revocation.* This order supersedes Order No. 3 issued January 31, 1956 (21 F.R. 686).

(National Park Service Order No. 14 (19 F.R. 8824); 39 Stat. 535; 16 U.S.C. 1952 ed., sec. 2, as amended. Region Four Order No. 3 (21 F.R. 1494))

CURTIS K. SKINNER,
Acting Superintendent,
Mount Rainier National Park.

[F.R. Doc. 60-435; Filed, Jan. 15, 1960; 8:49 a.m.]

Office of the Secretary

CLARENCE W. MAYOTT

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of December 9, 1959.

Dated: December 9, 1959.

CLARENCE W. MAYOTT.

[F.R. Doc. 60-437; Filed, Jan. 15, 1960; 8:50 a.m.]

LILBERT A. MOLLMAN

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of December 14, 1959.

Dated: December 14, 1959.

L. A. MOLLMAN.

[F.R. Doc. 60-438; Filed, Jan. 15, 1960; 8:50 a.m.]

SAMUEL RIGGS SHEPPERD

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of January 6, 1960.

Dated: January 5, 1960.

RIGGS SHEPPERD.

[F.R. Doc. 60-439; Filed, Jan. 15, 1960; 8:50 a.m.]

HUBERT O. SPRINKLE

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) Ohio Valley Electric Corporation (this listing was inadvertently omitted from my filing on February 4 and July 14, 1959).
(2) Common stock of Champlin Oil & Refining Company.
(3) No change.
(4) No change.

This statement is made as of December 31, 1959.

Dated: December 31, 1959.

H. O. SPRINKLE.

[F.R. Doc. 60-440; Filed, Jan. 15, 1960; 8:50 a.m.]

ALEXANDER H. WADE, JR.

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and

Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of December 9, 1959.

Dated: December 9, 1959.

A. H. WADE, Jr.

[F.R. Doc. 60-441; Filed, Jan. 15, 1960; 8:50 a.m.]

FRED H. WILEY

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of December 11, 1959.

Dated: December 11, 1959.

FRED H. WILEY.

[F.R. Doc. 60-442; Filed, Jan. 15, 1960; 8:50 a.m.]

WILLIAM W. WILLIAMS

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months.

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of December 8, 1959.

Dated: December 8, 1959.

W. W. WILLIAMS.

[F.R. Doc. 60-443; Filed, Jan. 15, 1960; 8:50 a.m.]

PUERTO RICO

Adjustments in Maximum Level of Imports of Crude and Unfinished Oils and Finished Products Other Than Residual Fuel Oil To Be Used as Fuel

The maximum level of imports into Puerto Rico of crude oil and unfinished oils and finished products, other than residual fuel oil to be used as fuel, established by Presidential Proclamation 3279 (24 F.R. 1781) is modified pursuant to paragraph (d) of section 2 of said Proclamation to permit, during the period January 1, 1960, through June 30, 1960, an increase of 2380 barrels per day in the imports of light virgin naphtha, 330 barrels per day in the imports of asphalt, and 2348 barrels per day in the imports of crude oil and unfinished oils, to meet the increased demand in Puerto Rico.

Increases in allocations, pursuant to this authorization, will be granted to those eligible importers who have satisfactorily demonstrated an increased need for these oils.

FRED A. SEATON,
Secretary of the Interior.

JANUARY 13, 1960.

[F.R. Doc. 60-475; Filed, Jan. 15, 1960; 8:53 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-99]

BABCOCK & WILCOX CO.

Notice of Issuance of Amendment to Utilization Facility License

Please take notice that no request for a formal hearing having been filed following the filing of notice of proposed action with the Office of the Federal Register on December 24, 1959, the Atomic Energy Commission has issued Amendment No. 1 to License No. R-47. The amendment authorizes The Babcock & Wilcox Company to install a new grid plate in its Lynchburg Pool Reactor located in Lynchburg, Virginia and to assemble therein critical assemblies and to conduct experiments relating to the proposed Lynchburg Test Reactor.

Notice of the proposed action was published in the FEDERAL REGISTER on December 25, 1959, 24 F.R. 10720.

Dated at Germantown, Md., this 9th day of January 1960.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 60-417; Filed, Jan. 15, 1960; 8:45 a.m.]

[Docket No. 50-145]

THOR-WESTCLIFFE DEVELOPMENT, INC.

Notice of Issuance of Facility License

Please take notice that the Atomic Energy Commission has issued a license which authorizes Thor-Westcliffe Development, Incorporated, Santa Fe, New Mexico, to import into the United States and to hold, in storage only, seven gas centrifuges as described in its application for license dated July 24, 1959, and amendments thereto dated September 14 and November 2, 1959.

In accordance with the Commission's rules of practice (10 CFR Part 2) the Commission will direct the holding of a formal hearing on the matter of the issuance of the license upon receipt of a request therefor from the licensee or an intervener within thirty days after issuance of the license. Such request should be addressed to the Secretary at the AEC's offices in Germantown, Maryland, or at the AEC's Public Document Room, 1717 H Street NW., Washington, D.C. For further details see the application for license submitted by Thor-Westcliffe Development, Inc., on file at the AEC's Public Document Room.

Dated at Germantown, Md., this 11th day of January 1960.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 60-418; Filed, Jan. 15, 1960; 8:45 a.m.]

[Docket No. 50-22]

WESTINGHOUSE ELECTRIC CORP.

Notice of Issuance of Facility License Amendment

The Atomic Energy Commission has issued Amendment No. 1 to License No. TR-2 authorizing Westinghouse Electric Corporation to increase the Westinghouse Testing Reactor (WTR) maximum power level from 20,000 to 60,000 thermal kilowatts. The WTR is located at the Westinghouse Reactor Evaluation Center near Waltz Mill, in Westmoreland County, Pennsylvania. Notice of the proposed action was published in the FEDERAL REGISTER on December 23, 1959, 24 F.R. 10465.

Dated at Germantown, Md., this 8th day of January, 1960.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 60-419; Filed, Jan. 15, 1960; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 13338, 13339; FCC 60M-75]

DIXIE RADIO, INC., AND RADIO NEW SMYRNA, INC.

Order Scheduling Prehearing Conference

In re applications of Dixie Radio, Inc., Brunswick, Georgia, Docket No. 13338, File No. BP-12399; Radio New Smyrna, Inc., New Smyrna Beach, Florida, Docket No. 13339, File No. BP-12796; for construction permits.

On the Hearing Examiner's own motion: *It is ordered,* This 11th day of January 1960, that all parties, or their counsel, in the above-entitled proceeding are

directed to appear for a prehearing conference pursuant to the provisions of § 1.111 of the Commission's rules, on Tuesday, February 2, 1960, at 10:00 a.m., in the offices of the Commission at Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-450; Filed, Jan. 15, 1960; 8:51 a.m.]

[Docket Nos. 12566, 12774; FCC 60M-60]

SANFORD L. HIRSCHBERG ET AL.

Order Continuing Hearing

In re applications of Sanford L. Hirschberg and Gerald R. McGuire, Cohoes-Watervliet, New York, Docket No. 12566, File No. BP-11261; W. Frank Short and H. Clay Esbenshade, d/b as Fairview Broadcasters, Rensselaer, New York, Docket No. 12774, File No. BP-12209; for construction permits for new standard broadcast stations.

The Hearing Examiner having under consideration a "Joint Motion for Continuance" filed by the applicants in the above-entitled matter on January 7, 1960, which motion requests a continuance of thirty (30) days of the hearing presently scheduled for January 14, 1960, and

It appearing that for good cause the applicants state that they have conducted negotiations looking toward a merger of their respective applications and that it now appears they have reached agreement and they plan to file an amendment prior to February 15, 1960, which will merge their interests and thus make possible the institution of early service in the area, and

It further appearing that counsel for the Broadcast Bureau has consented to the immediate consideration and grant of this request,

It is ordered, This 8th day of January 1960, that the aforesaid motion is granted and the hearing be and it is hereby continued to 10:00 a.m., February 16, 1960, in the Commission's offices in Washington, D.C.

Released: January 12, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-451; Filed, Jan. 15, 1960; 8:51 a.m.]

[Docket No. 13336; FCC 60M-73]

JOSEPH J. MACHADO

Order Scheduling Hearing

In the matter of Joseph J. Machado, 3353 Trumbull Street, San Diego, California, Docket No. 13336; order to show cause why there should not be revoked the license for radio station WNIE aboard the vessel "Queen Mary."

It is ordered, This 11th day of January 1960; that James D. Cunningham will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 17, 1960, in Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-452; Filed, Jan. 15, 1960; 8:51 a.m.]

[Docket No. 13337; FCC 60M-74]

HARRY C. OTIS

Order Scheduling Hearing

In the matter of Harry C. Otis, 1941 Myer Place, Costa Mesa, California, Docket No. 13337; order to show cause why there should not be revoked the license for radio station WJ-4389 aboard the vessel "Flyer".

It is ordered, This 11th day of January 1960, that Isadore A. Honig will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 18, 1960, in Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-453; Filed, Jan. 15, 1960; 8:51 a.m.]

[Docket No. 11908; FCC 60M-68]

NORTHSIDE BROADCASTING CO.

Order Continuing Hearing

In re application of Thomas E. Jones and Keith L. Reising, d/b as Northside Broadcasting Company, Jeffersonville, Indiana, Docket No. 11908, File No. BP-10824; for construction permit.

The Hearing Examiner having under consideration a verbal suggestion that the further hearing presently scheduled for January 15 be continued for approximately two weeks;

It appearing that a conference is desirable before the formal hearing session and that all of the engineering data which will be needed for such conference will not be available by January 15;

It is ordered, This 11th day of January 1960, on the Hearing Examiner's own motion that the further proceeding now scheduled for January 15 as a further hearing will be continued to January 29, 1960, as a further hearing conference.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-454; Filed, Jan. 15, 1960; 8:51 a.m.]

[Docket Nos. 13330, 13331; FCC 60M-65]

RADIO ATASCADERO AND CAL-COAST BROADCASTERS

Order Scheduling Prehearing Conference

In re applications of Jeanette B. Arment, tr/as Radio Atascadero, Atascadero, California, Docket No. 13330, File No. BP-12068; Edward E. Urner and Bryan J. Coleman, d/b as Cal-Coast Broadcasters, Santa Maria, California, Docket No. 13331, File No. BP-12613; for construction permits.

The Hearing Examiner having under consideration the above-entitled proceeding;

It is ordered, This 11th day of January 1960, that all parties, or their attorneys, who desire to participate in the proceeding, are directed to appear for a prehearing conference, pursuant to the provisions of § 1.111 of the Commission's rules, at the Commission's offices in Washington, D.C., at 2:00 p.m., January 22, 1960.

Released: January 12, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-455; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket No. 13325; FCC 60M-72]

SUNBURY BROADCASTING CORP. (WKOK)

Order Scheduling Prehearing Conference

In re application of Sunbury Broadcasting Corporation (WKOK), Sunbury, Pennsylvania, Docket No. 13325, File No. BP-12008; for construction permit.

On the Hearing Examiner's own motion: *It is ordered,* This 11th day of January 1960, that all parties, or their counsel, in the above-entitled proceeding are directed to appear for a prehearing conference pursuant to the provisions of § 1.111 of the Commission's rules, on Thursday, January 28, 1960, at 2:00 p.m., in the offices of the Commission at Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-457; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket Nos. 12993-12996; FCC 60M-66]

S & W ENTERPRISES, INC., ET AL.

Order Continuing Hearing

In re applications of S & W Enterprises, Inc., Woodbridge, Virginia, Docket No. 12993, File No. BP-11438; Interurban Broadcasting Corporation, Laurel, Maryland, Docket No. 12994, File No. BP-

12058; Rollins Broadcasting of Delaware, Inc. (WJWL), Georgetown, Delaware, Docket No. 12995, File No. BP-12229; Milton Grant and James R. Bonfils, d/b as Laurel Broadcasting Company, Laurel, Maryland, Docket No. 12996, File No. BP-12841; for construction permits.

At the letter request of Rollins Broadcasting of Delaware, Inc. (WJWL) dated January 8, 1960, and with the consent of all other parties to the proceeding: *It is ordered,* This 11th day of January 1960, that all dates in this proceeding are extended as follows:

Exchange of Engineering Showings extended from January 11, 1960, to February 11, 1960;

Further Pre-Hearing Conference extended from January 15, 1960, to February 16, 1960;

Second Informal Engineering Conference extended from January 18, 1960, to February 18, 1960;

Final Exchange of Engineering Exhibits extended from February 1, 1960, to March 1, 1960;

Further Pre-Hearing Conference extended from February 3, 1960, to March 3, 1960;

Hearing extended from February 8, 1960, to March 8, 1960.

Released: January 12, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-456; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket No. 13321; FCC 60M-69]

F. G. TOOMER

Order Scheduling Hearing

In the matter of F. G. Toomer, 246 South Eleventh Street, Aransas Pass, Texas, Docket No. 13321; order to show cause why there should not be revoked the license for radio station WB-9989 aboard the vessel "Elizabeth II."

It is ordered, This 11th day of January 1960, that James D. Cunningham will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 15, 1960, at 10:00 a.m., in Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-459; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket Nos. 13076, 13077; FCC 60M-82]

SUPREME BROADCASTING COMPANY, INC., OF PUERTO RICO AND RADIO AMERICAN WEST INDIES, INC.

Order Continuing Hearing

In re applications of Supreme Broadcasting Company, Inc., of Puerto Rico, Christiansted, St. Croix, Virgin Islands, Docket No. 13076, File No BPCT-2575; Radio American West Indies, Inc., Christiansted, St. Croix, Virgin Islands, Docket No. 13077, File No. BPCT-2581; for construction permits for new television broadcast stations (Channel 8).

Pursuant to the agreement reached at the prehearing conference on January 6, 1960, the evidentiary hearing in the above-entitled proceeding presently scheduled for January 21, 1960, is continued to a date to be announced at the conclusion of a further prehearing conference to be held February 19, 1960.

It is so ordered, This the 12th day of January 1960.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-458; Filed, Jan. 16, 1960; 8:52 a.m.]

[Docket No. 13322; FCC 60M-70]

F. G. TOOMER

Order Scheduling Hearing

In the matter of F. G. Toomer, 246 South Eleventh Street, Aransas Pass, Texas, Docket No. 13322; order to show cause why there should not be revoked the license for radio station WJ-6907 aboard the vessel "Brantley Sue".

It is ordered, This 11th day of January 1960, that James D. Cunningham will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 15, 1960, at 2:00 p.m., in Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-460; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket No. 13323; FCC 60M-71]

F. G. TOOMER

Order Scheduling Hearing

In the matter of F. G. Toomer, 246 South Eleventh Street, Aransas Pass, Texas, Docket No. 13323; order to show cause why there should not be revoked the license for radio station WK-6304 aboard the vessel "Barbara Sue".

It is ordered, This 11th day of January 1960, that James D. Cunningham will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 16, 1960, in Washington, D.C.

Released: January 13, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-461; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket Nos. 13318, 13319; FCC 60M-64]

UNITED ELECTRONICS LABORATORIES, INC., AND KENTUCKIANA TELEVISION, INC.

Order Continuing Hearing Conference

In re applications of United Electronics Laboratories, Inc., Louisville, Kentucky, Docket No. 13318, File No. BPCT-2640; Kentuckiana Television, Incorporated, Louisville, Kentucky, Docket No. 13319, File No. BPCT-2652; for construction permits for new television broadcast stations (Channel 51).

The Hearing Examiner having under consideration a petition, filed by United Electronics Laboratories, Inc., on January 8, 1960, requesting continuance of prehearing conference herein;

It appearing that counsel for all other parties have consented to a grant of the petition; that good cause has been shown for the continuance; and that the public interest, in the orderly and expeditious dispatch of the Commission's business, requires immediate consideration;

It is ordered, This 11th day of January 1960, that the above petition for continuance is granted; and the prehearing conference presently scheduled for January 13, 1960 is continued until January 21, 1960, at 9:30 a.m.

Released: January 12, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-462; Filed, Jan. 15, 1960; 8:52 a.m.]

[Docket No. 13265; FCC 60M-63]

EARL A. WILLIAMS

Order Continuing Hearing

In the matter of application of Earl A. Williams, Docket No. 13265, File No. 2731-C2-P-59; Call Sign KEC 929; for construction permit to establish a new one-way signaling common carrier station in the domestic public land mobile radio service in Syracuse, New York.

The Hearing Examiner having under consideration a motion for continuance of the hearing of February 2, 1960, and extension of the January 25, 1960, date for exchange of exhibits, filed by counsel for applicant Williams on January 7, 1960, to which counsel for protestant and the Common Carrier Bureau have no objection;

It appearing that applicant requests continuance and extension "for a period of sixty days or until thirty days after Commission decision on" a petition of applicant now pending before the Commission, "whichever is sooner";

It is ordered, This 8th day of January 1960, that the motion is granted, the hearing of February 2, 1960 is continued to Monday, April 4, 1960, and the date for exchange of exhibits is extended from January 25 to March 25, 1960: *Provided,*

however, That if Commission action on the pending petition makes it possible to schedule earlier dates in accordance with the prayer of the motion, an order to that effect will issue.

Released: January 12, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 60-463; Filed, Jan. 15, 1960; 8:52 a.m.]

FEDERAL POWER COMMISSION

[Docket No. DA-980-Calif.]

CALIFORNIA

Partial Vacation of Withdrawal Under Section 24 of the Federal Water Power Act

JANUARY 8, 1960.

In the matter of Lands Withdrawn in Project No. 564, Docket No. DA-980-California; Department of Fish and Game of the State of California.

An application was filed by the Department of Fish and Game of the State of California for modification of the power withdrawal with respect to the following-described lands in order to protect its investment in the Kern River Fish Hatchery and to provide ample opportunity to amortize the cost of proposed improvements to the hatchery:

MOUNT DIABLO MERIDIAN, CALIFORNIA

T. 25 S., R. 33 E., sec. 10, Those parts of the SW¼NW¼ and NW¼SW¼ lying west and south of an existing county road and the access road leading to the Southern California Edison Company's Kern No. 3 power plant.

The above-described lands are located within the Sequoia National Forest and lie on and north of the Kern River, a couple of miles above the headwaters of the Isabella reservoir. They were reserved, among other lands, pursuant to the filing on September 25, 1925, of an application for a preliminary permit for proposed Project No. 564, which application was rejected May 7, 1929.

The fish hatchery, including trout ponds, employees' houses and appurtenant structures, under special use permit dated January 21, 1946, and issued by the Forest Service, United States Department of Agriculture, to the applicant herein, occupies all the above-described lands lying southwest of the above-mentioned access road and County Road No. 572.

A little more than half a mile upstream from the above-described lands Kern No. 3 power plant is operated under final power permit issued September 20, 1913, by the Forest Service. The above-mentioned access road leads from the plant and adjacent employees' dwellings to the county road and is apparently maintained under authority of the Forest Service. Power from the plant is carried by a transmission line licensed as part of Project No. 174. According to available maps, the line lies on the other side, north and east, of the two "boundary" roads.

Downstream from the above-described lands the Isabella dam and reservoir have been constructed by the Corps of Engineers for flood control and irrigation purposes. Development of power is only incidental to the primary purposes of the Isabella project and appears limited at this time to storage release for downstream power facilities at the Borel Canal works of the Southern California Edison Company.

The possibility of constructing a high dam below the Isabella dam on the main stem of the Kern River has been suggested. However, such construction not only would inundate the above-described lands, but would submerge the present Isabella dam and the town of Kernville. No plan is known that proposes use of the lands in connection with power development in the foreseeable future.

It appears that the power potential of the full subdivision of the lands of which the above-described lands are part is being fully utilized for access road and transmission-line facilities. Consequently, the power value of the above-described lands is negligible and use of the lands for other purposes appears appropriate and desirable.

The Commission finds: Inasmuch as the above-described lands have negligible value for purposes of power development, the existing withdrawal under section 24 of the Federal Water Power Act serves no useful purpose and vacation of the withdrawal is in the public interest.

The Commission orders: The existing power withdrawal pertaining to the above-described lands under section 24 of the Federal Water Power Act pursuant to the filing of the application for a preliminary permit for proposed Project No. 564 is vacated.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-430; Filed, Jan. 15, 1960; 8:48 a.m.]

[Docket Nos. G-19614, G-20219]

OHIO FUEL GAS CO. AND UNITED FUEL GAS CO.

Notice of Applications and Date of Hearing

JANUARY 11, 1960.

In the matters of The Ohio Fuel Gas Company, Docket No. G-19614; United Fuel Gas Company, Docket No. G-20219.

Take notice that The Ohio Fuel Gas Company (Ohio Fuel) an Ohio corporation with a principal office in Columbus, Ohio, filed an application in Docket No. G-19614 on October 2, 1959, pursuant to section 7 of the Natural Gas Act for:

A certificate of public convenience and necessity authorizing the construction and operation of approximately 0.5 mile of 6⅝-inch pipeline in Gallia County, Ohio, and the sale of natural gas to its affiliate, United Fuel Gas Company (United Fuel), at an existing interconnection in Gallipolis Township, Gallia County, Ohio, on the Ohio-West Virginia state line.

Permission and approval to abandon and remove the existing length of 4 and 5-inch pipeline to be replaced by the 6⅝-inch pipeline described above, and abandon service presently being rendered United Fuel under an exchange agreement filed as a part of United Fuel's FPC Gas Tariff, Original Volume No. 2, Original Sheet No. 27, under the terms of which natural gas is delivered to United Fuel at a point on its system near Point Pleasant, West Virginia.

The foregoing are more fully described in the application on file with the Commission, and open to public inspection.

Take further notice that United Fuel Gas Company (United Fuel), a West Virginia corporation with a principal office in Charleston, West Virginia, filed an application in Docket No. G-20219 on November 19, 1959, pursuant to section 7(b) of the Natural Gas Act, for permission and approval to abandon the service to Ohio Fuel presently being rendered under the terms of an exchange agreement (United Fuel Gas Company's FPC Gas Tariff Original Volume No. 2, Original Sheet No. 27) and covered by United Fuel's Rate Schedule X-2, issued March 25, 1949, under which United Fuel delivers into Ohio Fuel's main transmission system in Ohio near Ravenswood, West Virginia, and receives equivalent volumes from Ohio Fuel at a point on its system near Point Pleasant, West Virginia. The foregoing is more fully described in the application on file with the Commission, and open to public inspection.

The applications state that for many years Ohio Fuel has delivered gas to United Fuel near Point Pleasant for service in United Fuel's retail market at Point Pleasant, West Virginia, on the West Virginia side of the Ohio River, opposite Gallipolis, which gas is delivered by Ohio Fuel on an exchange basis, with United Fuel returning equivalent volumes to Ohio Fuel at another location on the Ohio River near Ravenswood, West Virginia, east of Point Pleasant. At Ravenswood, United Fuel also sells gas to Ohio Fuel under its FPC Tariff. Ohio Fuel, in effect, transports the exchange gas, at no cost to United, from the point of receipt at Ravenswood, through about 40 miles of transmission lines to the point of delivery to United near Point Pleasant. Ohio Fuel and United Fuel now desire to abandon the exchange and, in lieu thereof, Ohio Fuel desries to sell gas to United Fuel at Gallipolis for resale in the Point Pleasant area.

The application of Ohio Fuel recites that there has been a steady growth in the market requirements over the years in the Point Pleasant area and in order to provide the increased supplies required during the winter of 1959-60 and thereafter, it will be necessary to bolster the capacity of Ohio Fuel's transmission system supplying the area. The lateral line extending from Ohio Fuel's Line F-258 to its Point Pleasant measuring station is presently comprised of 5-inch pipe together with smaller quantities of 6-

inch and 4-inch pipe. The 4- and 5-inch sections are considered unsuitable for continued dependable operation and therefore Ohio Fuel proposes to replace them with new 6-inch pipe.

The gas requirements of the Point Pleasant area are shown as follows:

Actual deliveries

Peak day	Mcf	Annual	Mcf
Jan. 17, 1957	3,747	1957	548,671
Feb. 17, 1958	4,659	1958	636,676
Jan. 5, 1959	4,723		

Estimated deliveries

Feb. 1, 1960	6,300	1960	1,200,800
Feb. 1, 1961	6,400	1961	1,448,500
Feb. 1, 1962	7,000	1962	1,706,400

The estimated cost of Ohio Fuel's proposed facilities is $9,900 which will be paid from cash on hand. Cost of retiring the facilities to be replaced is $600 and salvage value is estimated at $800.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on February 11, 1960, at 9:30 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 2, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-431; Filed, Jan. 15, 1960; 8:48 a.m.]

[Docket No. G-18078 etc.]

TEXACO, INC., ET AL.

Notice of Postponement of Hearing

JANUARY 11, 1960.

In the matters of Texaco, Inc., et al., Docket No. G-18078, et al.; Tennessee Gas Transmission Company, Docket No. G-18765; South Texas Natural Gas Gathering Company, Docket No. G-18907; Transcontinental Gas Pipe Line Corporation, Docket No. G-18920.

Upon consideration of the motion filed January 8, 1960, by Counsel for Transcontinental Gas Pipe Line Corporation for recess of the hearing now scheduled for January 19, 1960, in the above-designated matters;

The hearing now scheduled for January 19, 1960, is hereby postponed to February 23, 1960, at 10:00 a.m., e.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-432; Filed, Jan. 15, 1960; 8:48 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

JANUARY 13, 1960.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 35951: *Denatured alcohol or solvents—New Orleans, La., to St. Louis, Mo.* Filed by O. W. South, Jr., Agent (SFA No. A3890), for interested rail carriers. Rates on denatured alcohol or denatured alcohol solvents, in tankcar loads from New Orleans, La., to St. Louis, Mo.

Grounds for relief: Barge competition.

Tariff: Supplement 229 to Southern Freight Association tariff I.C.C. 400 (Marque series).

FSA No. 35952: *Iron and steel articles from Illinois to Mississippi.* Filed by O. W. South, Jr., Agent (SFA No. A3891), for interested rail carriers. Rates on iron or steel articles, viz: bars or joists, NOIBN, in carloads from Alton, Federal and East St. Louis, Ill., to Tougaloo, Van Winkle and Elton, Miss.

Grounds for relief: Barge-rail competition.

Tariff: Supplement 90 to Southern Freight Association tariff I.C.C. 1592.

FSA No. 35953: *Vegetables from Colorado and Kansas to WTL territory.* Filed by Western Trunk Line Committee, Agent (No. A-2104), for interested rail carriers. Rates on vegetables in straight or mixed carloads from points in Colorado and Kansas to points in western trunk line territory.

Grounds for relief: Market competition.

Tariff: Supplement 171 to Western Trunk Line Committee tariff I.C.C. A3511.

FSA No. 35954: *Cast iron pipe and related articles from Swan and Tyler, Tex.* Filed by Southwestern Freight Bureau, Agent (No. B-7715), for interested rail carriers. Rates on cast iron pipe and fittings, with or without cement or composition lining or coating, with or without prepared joints, in straight or mixed carloads from Swan and Tyler, Tex., to points in Southern Freight Association territory.

Grounds for relief: Short-line distance formula, grouping, and market competition.

Tariff: Supplement 29 to Southwestern Freight Bureau tariff I.C.C. 4333.

FSA No. 35955: *Lumber and related articles—Southern Territory to Southwestern Territory, including Kansas and Missouri.* Filed by O. W. South, Jr., Agent, (SFA No. A3889), for interested rail carriers. Rates on lumber and related articles, in carloads from points in southern territory to points in southwestern territory, including points in Kansas and Missouri in WTL territory.

Grounds for relief: Short-line distance formula, grouping and market competition.

Tariffs: Supplements 119 and 22 to Southern Freight Association tariffs I.C.C. 1269 and S-3, respectively.

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 60-444; Filed, Jan. 15, 1960; 8:50 a.m.]

[Notice 248]

MOTOR CARRIER TRANSFER PROCEEDINGS

JANUARY 13, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 62735. By order of January 11, 1960, the Transfer Board approved the transfer to Evans Steel Drum Co., Inc., New Orleans, La., of Permits Nos. MC 114502 Sub 1 and MC 114502 Sub 2, issued February 15, 1955 and December 11, 1958, respectively, to Charles D. Evans, doing business as Evans Steel Drum Company, New Orleans, La., authorizing the transportation of: Steel drums from New Orleans, La., to Mobile, Ala., and Hattiesburg, Miss., and steel drums and steel pails from New Orleans, La., to points in Mississippi (except Hattiesburg), Alabama (except Mobile), Tennessee, Texas and Florida, (with certain restrictions). From El Paso, Houston, and Port Arthur, Tex., Chattanooga and Memphis, Tenn., McIntosh, Mobile, Birmingham, and Tuscaloosa, Ala., Panama City and Pen-

sacola, Fla., and Jackson, Hattiesburg and Greenville, Miss., to Harvey, La., with certain restriction. Harold R. Ainsworth, Attorney, 2307 American Bank Building, New Orleans, La.

No. MC–FC 62736. By order of January 12, 1960, the Transfer Board approved the transfer to Harold Goltzman, doing business as Goltzman Bros.; Kew Gardens (Queens), N.Y.; of Certificate in No. MC 112033, issued January 26, 1951, to Bennett Van & Storage, Inc., Ada, Okla.; authorizing the transportation of: Household goods, and used office furniture, between points in Pontotoe County, Okla.; on the on hand, and, on the other, points in Texas and Arkansas. Edward Alfano, 2 West 45th Street, New York 36, N.Y., for applicants.

No. MC–FC 62738. By order of January 11, 1960, the Transfer Board approved the transfer to W. D. Harrington, Jr., and Mildred M. Harrington, doing business as Alvic Trucking Co., Broadway, N.C., of Certificates Nos. MC 80018 and MC 80018 Sub 7, and Permits Nos. MC 106915 and MC 106915 Sub 1, issued May 20, 1948, November 25, 1959, May 20, 1948, and October 4, 1955, respectively, to Edmac Trucking Co., Inc., Fayetteville, N.C., authorizing the transportation of: Tobacco, from points in South Carolina to Norfolk, Va., and points in North Carolina; baled cotton, between points in North Carolina, South Carolina, and Virginia; and citrus pulp or meal from points in a specified Florida territory to points in South Carolina and North Carolina, as a common carrier; and Malt beverages, from Charlotte, N.C. to Augusta, Ga., and points in South Carolina; empty malt beverage containers, from Augusta, Ga., and points in South Carolina to Charlotte, N.C.; and Clay products and Shale products, from Greensboro, N.C. and points in Chatham County, N.C., to points in Florida and South Carolina, as a contract carrier. A. W. Flynn, Jr., P.O. Box 127, Greensboro, N.C., and James W. Wilson, 1111 E Street, Washington 4, D.C., for applicants.

No. MC–FC 62740. By order of January 11, 1960, the Transfer Board approved the transfer to Hall's, Inc., Low Moor, Iowa, of Certificates in Nos. MC 2029, MC 2029 Sub 4, MC 2029 Sub 6 and MC 2029 Sub 7, issued April 3, 1951, April 3, 1951, February 14, 1952 and May 23, 1957, respectively, to G. L. Hall, Robert H. Hall and Dale T. Hall, a partnership, doing business as G. L. Hall and Sons, Low Moor, Iowa, authorizing the transportation of: Livestock between Long Grove, Iowa, and Chicago, Ill., feed from Chicago to Long Grove, feed from Riverdale and Waukegan, Ill., to Davenport, Iowa, and from Chicago, Ill., to Eldridge, Iowa and points within 35 miles of Eldridge; live poultry, from Bettendorf, Iowa and points within 15 miles thereof to Chicago, Ill., livestock from Eldridge, Iowa and points within 25 miles of Eldridge, to Chicago, Ill., from Maquoketa, Iowa, to various points in Iowa to Peoria, Ill., and from Chicago and Peoria, Ill., to points in Iowa; livestock between Eldridge, Iowa and points in Iowa within 35 miles of Eldridge, on the one hand, and, on the other, points in Wisconsin and Illinois; animal and poultry feed in bags from Riverdale, Ill., to Clinton, Iowa, and fertilizers in bulk from Fulton, Ill., to points in Iowa. William A. Landau, P.O. Box 1634, Des Moines, Iowa.

No. MC–FC 62742. By order of January 11, 1960, the Transfer Board approved the transfer to Duane D. Craft, doing business as Ora C. McCreary Moving, Wellsburg, W. Va.; of Certificate in No. MC 60052, issued June 17, 1959, to Ora C. McCreary, Wellsburg, W. Va.; authorizing the transportation of: Household goods, between points in Brooks County, W. Va.; on the one hand, and, on the other points in West Virginia, Ohio, Indiana, Maryland, and Pennsylvania. Charles D. Bell, Attorney, Wellsburg, W. Va., for applicants.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 60–445; Filed, Jan. 15, 1960; 8:50 a.m.]

CUMULATIVE CODIFICATION GUIDE—JANUARY

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